

Internal Revenue ServiceDepartment of the Treasury
Washington, DC 20224

Index Number: 1362.02-01

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:PSI:B01 – GENIN-163357-03Date:
Jan 8 2004

Re: [REDACTED]

Dear [REDACTED]

We are answering correspondence, submitted by you, requesting late S corporation election relief for the above named taxpayer. Although we are unable to respond to your request as submitted, this letter provides information relating to your request.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections. Generally, to request relief for a late S corporation election you must request a private letter ruling from the National Office. The information forwarded to our office is insufficient for us to process a private letter ruling request. The procedures for requesting a private letter ruling are set forth in Revenue Procedure 2003-1 (copy enclosed). In addition, taxpayers must submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$6,000; however, taxpayers with gross income of less than \$1 million on their tax return for the most recent 12-month taxable year, qualify for a **reduced user fee** in the amount of \$500. If you qualify for the reduced fee, you must include a statement claiming that your gross income for the last 12-month taxable year was less than one million dollars.

If you decide to submit a formal request for a private letter ruling, please follow the sample format provided in Appendix B of Rev. Proc. 2003-1. Your request should include all required procedural statements, a check for the user fee, and any documents that substantiate your intent to be an S corporation from inception. Please refer your request to our office by adding the following to the address:

Attn: CC:PA:T
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Direct to: CC:PSI:1
Room 5002

2005-0061

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GENIN-163357-03

Incidentally, the IRS has developed two compact discs to help educate small business owners on their tax responsibilities: (1) *Introduction to Federal Taxes for Small Business/Self-Employed*; and (2) *A Virtual Small Business Workshop*. These items are free and can be ordered by calling 1-800-829-3676. The IRS also makes information available to small business taxpayers online at www.irs.gov/businesses/small/index.

It should also be noted that in addition to needing to request a private letter ruling for late S election relief, you will also need to seek an additional ruling granting relief to file a late entity classification election, Form 8832, under § 301.9100. This ruling can be requested at the same time the late S election request is filed.

In addition, as we discussed on the telephone, I am enclosing the original forms that you sent to us. Per your request, I have marked the specific line of the Form 2553 that must be corrected as discussed.

Please keep this letter with your tax records and feel free to provide a copy of it to your authorized representative. We hope that the above information proves helpful.

Sincerely yours,

/s/ Dianna K Miosi

DIANNA K. MIOSI
Chief, Branch 1
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures:

Announcement 97-4
Rev. Proc. 2003-1
Original forms sent to IRS