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From:

Sent: Wednesday, June 17, 2009 12:00:26 PM

To:

Cc:

Subject: RE: S corp issue regarding PLR

As we discussed earlier, here are my thoughts on the case:

The taxpayers have a very sympathetic case. They sought to be entrepreneurial and started a small business in or but the business failed, and dissolved in . The business was formed as a corporation, and the taxpayers sent in a Form 2553 to have to business treated as an S corp as of , and filed subsequent tax returns assuming that the business was an S corp. They did not have any reason to think otherwise until , when the IRS informed them that their Form 2553 had been rejected on a technicality.

My office routinely grants PLR relief under Section 1362(b)(5) to similarly situated taxpayers. While every case needs to be reviewed separately, it appears to me that the taxpayers have a very clear cut case for PLR relief. Unfortunately, they cannot pay the PLR fee since they are bankrupt. [REDACTED]

Many thanks,