

INTERNAL REVENUE SERVICE

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May 2, 2000

UILC 1362.00-00

We are responding to correspondence, submitted on your behalf by Mr. [REDACTED], requesting relief in order to establish January 1, 1998, as the effective date for both corporate entity classification and S corporation elections. We are unable to respond to your request in its current form. However, we are furnishing the following general information relating to your request.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections and inadvertent invalid S corporation elections. Generally, to request relief for a late or invalid S corporation election you must request a private letter ruling from the National Office. In order for us to consider late S corporation and entity classification relief, you must seek a combined private letter ruling citing §1362(b)(5) of the Internal Revenue Code, and § 301.9100-3 of the Income Tax Regulations.

The procedures for requesting a private letter ruling are set out in Revenue Procedure 2000-1 (copy enclosed). In addition, Rev. Proc. 2000-1 requires taxpayers to submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$5,000. However, taxpayers with gross income of less than \$1 million on their last-filed tax return qualify for a **reduced user fee** in the amount of \$500. If you are eligible to use the reduced fee provision you must include the statement described in § (B)(1)(b) of Appendix A with your request. Please review Appendix B for a sample format for requesting a private letter ruling.

If you decide to submit a formal request for a private letter ruling, please explain why your Form 2553 was filed late, provide documents supporting your intention to be an S corporation from inception, and include the proper user fee. Please refer your request to our office by adding the following to the address:

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

Direct to: CC:DOM:P&SI:Br.1
Room 5002

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,
Signed/Dianna K. Miosi

DIANNA K. MIOSI
Chief, Branch 1
Office of the Assistant Chief Counsel
(Passthroughs and Special Industries)

Enclosures:
Announcement 97-4
Rev. Proc. 2000-1