

# Election by a Small Business Corporation

(Under section 1362 of the Internal Revenue Code)

► For Paperwork Reduction Act Notice, see page 1 of instructions.

► See separate instructions.

**Notes:** 1. This election, to be treated as an "S corporation," can be accepted only if all the tests in General Instruction B are met; all signatures in Parts I and III are originals (no photocopies); and the exact name and address of the corporation and other required form information are provided.

2. Do not file Form 1120S until you are notified that your election is accepted. See General Instruction E.

## Part I Election Information

Please Type or Print	Name of corporation (see instructions)	<b>A Employer identification number</b> (see instructions)
	Number, street, and room or suite no. (If a P.O. box, see instructions.)	<b>B Name and telephone number</b> (including area code) of corporate officer or legal representative who may be called for information
	City or town, state, and ZIP code	<b>C Election is to be effective for tax year beginning</b> (month, day, year)
<b>D</b>	Is the corporation the outgrowth or continuation of any form of predecessor? . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," state name of predecessor, type of organization, and period of its existence ► .....	<b>E</b> Date of incorporation
		<b>F</b> State of incorporation



**Part II Selection of Fiscal Tax Year (All corporations using this Part must complete item O and one of items P, Q, or R.)**

- O** Check the applicable box below to indicate whether the corporation is:
1.  A new corporation adopting the tax year entered in item I, Part I.
  2.  An existing corporation retaining the tax year entered in item I, Part I.
  3.  An existing corporation changing to the tax year entered in item I, Part I.

**P** Complete item P if the corporation is using the expeditious approval provisions of Revenue Procedure 87-32, 1987-2 C.B. 396, to request: (1) a natural business year (as defined in section 4.01(1) of Rev. Proc. 87-32), or (2) a year that satisfies the ownership tax year test in section 4.01(2) of Rev. Proc. 87-32. Check the applicable box below to indicate the representation statement the corporation is making as required under section 4 of Rev. Proc. 87-32.

1. **Natural Business Year** ▶  I represent that the corporation is retaining or changing to a tax year that coincides with its natural business year as defined in section 4.01(1) of Rev. Proc. 87-32 and as verified by its satisfaction of the requirements of section 4.02(1) of Rev. Proc. 87-32. In addition, if the corporation is changing to a natural business year as defined in section 4.01(1), I further represent that such tax year results in less deferral of income to the owners than the corporation's present tax year. I also represent that the corporation is not described in section 3.01(2) of Rev. Proc. 87-32. (See instructions for additional information that must be attached.)
2. **Ownership Tax Year** ▶  I represent that shareholders holding more than half of the shares of the stock (as of the first day of the tax year to which the request relates) of the corporation have the same tax year or are concurrently changing to the tax year that the corporation adopts, retains, or changes to per item I, Part I. I also represent that the corporation is not described in section 3.01(2) of Rev. Proc. 87-32.

**Note:** If you do not use item P and the corporation wants a fiscal tax year, complete either item Q or R below. Item Q is used to request a fiscal tax year based on a business purpose and to make a back-up section 444 election. Item R is used to make a regular section 444 election.

**Q** **Business Purpose**—To request a fiscal tax year based on a business purpose, you must check box Q1 and pay a user fee. See instructions for details. You may also check box Q2 and/or box Q3.

1. Check here ▶  if the fiscal year entered in item I, Part I, is requested under the provisions of section 6.03 of Rev. Proc. 87-32. Attach to Form 2553 a statement showing the business purpose for the requested fiscal year. See instructions for additional information that must be attached.
2. Check here ▶  to show that the corporation intends to make a back-up section 444 election in the event the corporation's business purpose request is not approved by the IRS. (See instructions for more information.)
3. Check here ▶  to show that the corporation agrees to adopt or change to a tax year ending December 31 if necessary for the IRS to accept this election for S corporation status in the event: (1) the corporation's business purpose request is not approved and the corporation makes a back-up section 444 election, but is ultimately not qualified to make a section 444 election, or (2) the corporation's business purpose request is not approved and the corporation did not make a back-up section 444 election.

**R** **Section 444 Election**—To make a section 444 election, you must check box R1 and you may also check box R2.

1. Check here ▶  to show the corporation will make, if qualified, a section 444 election to have the fiscal tax year shown in item I, Part I. To make the election, you must complete **Form 8716**, Election To Have a Tax Year Other Than a Required Tax Year, and either attach it to Form 2553 or file it separately.
2. Check here ▶  to show that the corporation agrees to adopt or change to a tax year ending December 31 if necessary for the IRS to accept this election for S corporation status in the event the corporation is ultimately not qualified to make a section 444 election.

**Part III Qualified Subchapter S Trust (QSST) Election Under Section 1361(d)(2)\*\***

Income beneficiary's name and address	Social security number
Trust's name and address	Employer identification number

Date on which stock of the corporation was transferred to the trust (month, day, year) ▶ \_\_\_\_\_

In order for the trust named above to be a QSST and thus a qualifying shareholder of the S corporation for which this Form 2553 is filed, I hereby make the election under section 1361(d)(2). Under penalties of perjury, I certify that the trust meets the definition requirements of section 1361(d)(3) and that all other information provided in Part III is true, correct, and complete.

Signature of income beneficiary or signature and title of legal representative or other qualified person making the election \_\_\_\_\_ Date \_\_\_\_\_

\*\*Use of Part III to make the QSST election may be made only if stock of the corporation has been transferred to the trust on or before the date on which the corporation makes its election to be an S corporation. The QSST election must be made and filed separately if stock of the corporation is transferred to the trust after the date on which the corporation makes the S election.