

INTERNAL REVENUE SERVICE

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CC:DOM:P&SI:1-COR-110073-00

UILC 1362.00-00  
June 29, 2000



We are responding to your correspondence requesting relief in order to establish February 15, 1995, as the effective date for your S corporation election. The information submitted explains that your accountant neglected to file Form 2553. Internal Revenue Service records indicate that no tax return has been filed for the 1995 taxable year, but subsequent year tax returns were filed using Forms 1120S. Because your account lacked an underlying Form 2553 (election) allowing the filing of Form 1120S, notices were sent regarding the conversion of your returns to C corporation status. Although we are unable to respond to your request as submitted, this letter provides useful information relating to your request.

Based on the *Instructions to Form 2553*, taxpayers are generally notified of acceptance or nonacceptance of their election within three months of date of filing (date mailed). If the IRS questions whether the election was filed, acceptable proof of filing is (a) certified or registered mail receipt; (b) Form 2553 with an accepted stamp; (c) Form 2553 with stamped IRS received date; or (e) an IRS letter stating the election has been accepted.

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. 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 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,

**/s/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