

INTERNAL REVENUE SERVICE

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CC:PSI:1-COR-114007-00

August 22, 2000

UILC 1362.00-00

██████████:

We are responding to correspondence, submitted on your behalf by ██████████, requesting relief in order to establish January 1, 1994, as the effective date for your S corporation election. The information submitted explains Form 2553 was rejected by the Service Center and one corporate tax return has been filed since inception. This means taxable years 1994 and forward are open for our consideration. You will find useful information in this letter 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. 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 for the last 12-month taxable period may qualify for a **reduced user fee** in the amount of \$500. If a corporation is eligible for this reduced fee, a statement attesting their eligibility **must** be included with its request. Please review Appendix B of Rev. Proc. 2000-1 for a sample format for requesting a private letter ruling. If you decide to submit a private letter ruling request, please include the proper user fee, submit documents demonstrating your intent to be an S corporation from inception, and explain your reasonable cause for failing to submit a timely election. Please refer your request to our office by adding the following to the following address:

Attn: CC:P&A  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

Direct to: CC:PSI:1  
Room 5002

Please keep this letter with your tax records and 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. 2000-1