

INTERNAL REVENUE SERVICE



CC:PSI:B01-COR-114411-00

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We are responding to your correspondence requesting relief in order to establish August 10, 1999, as the effective date for your S corporation election. The information submitted explains that your Form 2553 was filed late. Although we are unable to respond to your request as submitted, this letter provides useful information.

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 under the reduced fee provision, please include a statement certifying your gross income; otherwise you will be billed the higher fee. Please review Appendix B for a private letter ruling sample format.

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 refer your request to our office by adding the following to the 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 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  
Associate Chief Counsel  
(Passthroughs and Special Industries)

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