

INTERNAL REVENUE SERVICE

CC:P&SI:1-COR-117611-00

October 17, 2000

Number: **INFO 2000-0286**
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[REDACTED]:

We are responding to correspondence, submitted via fax by [REDACTED], Enrolled Agent, requesting relief in order to establish 1998 as the effective year for your S corporation election. The information submitted explains that the attorney assisting the taxpayer at inception had fallen ill and failed to file the S corporation election. Nevertheless, because the taxpayer's return for the 1998 taxable year was received late, it is ineligible for automatic late S corporation relief. Although we are unable to respond to your request as submitted, this letter provides useful information relating to your situation.

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 pay the reduced fee, a statement certifying your gross income must accompany your request; otherwise, you will be billed for the higher fee. 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, include the proper user fee, 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:B1
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