

INTERNAL REVENUE SERVICE





CC:P&SI:1-COR-117925-00

Oct 26, 2000

Number: **INFO 2000-0301**  
Release Date: 12/29/2000  
UILC 1362.00-00

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We are responding to correspondence, submitted on your behalf by   
, CPA, requesting relief in order to establish January 20, 1999, as the effective date for your S corporation election. The information submitted explains that the election was filed late citing Revenue Procedure 97-48.

In Rev. Proc. 97-48, the Internal Revenue Service provides special procedures that permit taxpayers in certain situations to obtain automatic late S corporation relief instead of applying for a private letter ruling. Because a notice about the Form 2553 deficiency was issued timely by the Internal Revenue Service your corporation is deemed ineligible for automatic relief under Rev. Proc. 97-48.

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, and include the proper user fee. Please 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