

INTERNAL REVENUE SERVICE



CC:PSI:1-COR-121841-00

November 28, 2000

Number: **INFO 2000-0311**  
Release Date: 12/29/2000

UILC 1362.00-00



We are responding to your correspondence requesting relief under Revenue Procedure 98-55, in order to establish January 1, 1998, as the effective date for your S corporation election. The window period for automatic relief under this revenue procedure closed on March 15, 1999. You are also ineligible for automatic relief under Revenue Procedure 97-48, because your first tax return was not filed timely. Although we are unable to assist you with automatic relief, this letter provides useful information 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 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 include the proper user fee (if applying under the reduced fee provisions, send a statement certifying gross income) 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