

INTERNAL REVENUE SERVICE

CC:PSI:1-COR-120321-00

Oct 31, 2000

Number: **INFO 2000-0377**  
Release Date: 12/29/2000  
UILC 1362.00-00

██████████:

We are responding to correspondence, submitted on your behalf by ██████████, C.P.A., requesting relief in order to establish August 16, 1999, as the effective date for your S corporation election. It appears that you are seeking late S corporation status pursuant to the automatic relief provided by Revenue Procedure 98-55 because the Internal Revenue Service failed to receive a timely election for your corporation. However, in Rev. Proc. 98-55, the Service provides late S corporation relief to taxpayers who meet certain eligibility requirements. The window period for automatic relief relating to the 1999 taxable year expired on March 15, 2000, which was the original due date for your tax return (excluding extensions). Because your request was made past the extended due date provided by Rev. Proc. 98-55, you are ineligible for automatic relief and must follow the general rule for requesting relief (described below).

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