

INTERNAL REVENUE SERVICE

Number: **INFO 2001-0177**

Release Date: 9/28/2001

[REDACTED]

[REDACTED]

[REDACTED]

CC:PSI:1-COR-132462-01  
July 11, 2001

UILC 1362.00-00

[REDACTED]:

We are responding to correspondence, submitted on your behalf by [REDACTED] to the Philadelphia Service Center, which was subsequently forwarded to our office for consideration. Based on the information submitted, you were under the impression that all necessary paperwork relating to the S corporation election had been filed in August 1999. However, the Internal Revenue Service has no record of receiving a timely Form 2553.

The window for automatic relief under Rev. Proc. 98-55 involving the 2000 taxable year closed on March 15, 2000 (unextended return due date). Because your request was postmarked after the window of relief had closed, you are ineligible for automatic relief. The only other option for *automatic* relief, Rev. Proc. 97-48, is also unavailable due to the fact that your 1999 return was late (no extension, received in October 2000).

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late 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 ruling are set out in Revenue Procedure 2001-1 (copy enclosed). In addition, a proper user fee must be submitted along with your request. The fee for a ruling is \$6,000; however, taxpayers with gross income of less than \$1 million for the last 12-month taxable period qualify for a **reduced user fee** in the amount of \$500. If your business qualifies for the reduced fee, your request must include a statement certifying gross income; otherwise, you will be billed the higher fee. Please format your ruling request as shown in Appendix B of Rev. Proc. 2001-1.

If you decide to submit a ruling request, please provide documents supporting your intention to be an S corporation, and include the proper user fee. Please refer your package to our office by adding the following to the address:

Attn: CC:PA:T  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

Direct to: CC:PSI:B1  
Room 5002

If you have computer web access, you may wish to visit [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) for specialized tax information, products, and forms relating to small businesses.

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. 2001-1  
Copy of submission