

Internal Revenue Service

Department of the Treasury

Index Number: 1362.00-00

Washington, DC 20224

[REDACTED]

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:B01-COR-131228-01

Date:

July 17, 2001

Number: **INFO 2001-0188**

Release Date: 6/28/2001

[REDACTED]:

We are responding to your correspondence requesting relief in order to establish July 5, 1991, as the effective date for [REDACTED] S corporation election. We understand that the taxpayer attempted to file an election to be treated as an S corporation (Form 2553) on August 9, 1991, but that such election was never received by the Service. We also understand that the taxpayer has filed Forms 1120S since 1991, that some of those returns have not been accepted by the Service, and that the taxpayer is now seeking to correct this problem. Although we are unable to respond to your request as submitted, 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 2001-1 (copy enclosed). In addition, Rev. Proc. 2001-1 requires taxpayers to submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$6,000. 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:PA:T
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Direct to: CC:PSI:1
Room 5002

By way of introduction, the IRS has a new small business website which provides specific information and various links to useful non-IRS sites. Visit this new site at www.irs.gov/smallbiz. Additionally, you can order a single, free copy of the *Small Business Resource Guide CD-ROM 2001*, by calling 1-800-829-3676. The CD-ROM provides critical tax information including forms, instructions, and publications, as well as valuable business information from a variety of government agencies, non-profit organizations, and educational institutions.

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