

**INTERNAL REVENUE SERVICE**

Number: **INFO 2001-0222**

Release Date: 9/28/2001

[REDACTED]

[REDACTED]

[REDACTED]

CC:PSI:1-COR-140973-01

August 17, 2001

UILC 1362.00-00

[REDACTED]:

We are responding to correspondence, submitted on your behalf by [REDACTED] [REDACTED] [REDACTED] requesting relief in order to establish 1996 as the effective date for your S corporation election. The information submitted explains that the taxpayer was chartered on July 1, 1996, and that the two shareholders consented to the S election during that same month. However, the Internal Revenue Service has attempted to disallow the S corporation status for the 1996 taxable year.

Based on information provided by the Memphis Service Center, it appears that the taxpayer has a valid election for January 1, 1997, pursuant to an election which posted to the account in early August 1996. Your identification number was established on the same date. Subsequently, it appears that the IRS received your Form 2553 in a timely manner for an effective date of July 1, 1996. Therefore, we have taken action on your behalf and asked the Service Center staff to update your account to reflect S corporation status for 1996. Within the next 60 days, you should receive confirmation of this action. If not, please call us at the number shown above.

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)