

INTERNAL REVENUE SERVICE

Number: **INFO 2002-0031**

Release Date: 3/29/2002

[REDACTED]

CC:PSI:1-GENIN-165303-01

January 23, 2002

UILC 1362.00-00

[REDACTED]:

We are responding to correspondence, submitted on your behalf by [REDACTED] [REDACTED], requesting relief in order for [REDACTED] (t/a [REDACTED]) to establish 1999 as the effective taxable year for its S corporation status. The information submitted explains that you filed a Form 2553 in March 1999, but the Internal Revenue Service has no record of receiving such an election. According to IRS records, the two Employer Identification Numbers cited in your letter have been marked for consolidation. You should receive a separate letter addressing the EIN issue. Although we are unable to respond to your request as submitted, this letter provides useful information about correcting your situation.

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 2002-1 (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. 2002-1.

If you decide to submit a ruling request, please provide documents supporting your intention to be considered 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 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
Chief, Branch 1
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures:
Announcement 97-4
Rev. Proc. 2002-1