

INTERNAL REVENUE SERVICE

Number: **INFO 2002-0032**

Release Date: 3/29/2002

CC:PSI:1-GENIN-165314-01

January 23, 2002

UILC 1362.00-00

██████████:

We are responding to correspondence forwarded to our office by the Atlanta Service Center staff. Apparently, this material was originally submitted to the Internal Revenue Service on your behalf by ██████████, CPA. Based on the information provided, it appears that you are requesting that the IRS treat ██████████ ██████████ as an S corporation from the 1999 taxable year forward. However, you are ineligible for automatic late S corporation relief under Revenue Procedure 97-48 because IRS records reflect that your 1999 Form 1120S tax return was received late on October 18, 2000, and had no extension on file. Further, the IRS notified you of the lack of an election on your account within six months of the time that the return was received. Although we are unable to respond to your request as submitted, this letter provides useful information about rectifying 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 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 internet 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
Copy of submission material