

**INTERNAL REVENUE SERVICE**

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CC:PSI:1-GENIN-110771-02

March 22, 2002

**[REDACTED]** :

We are responding to your correspondence dated January 2, 2002, requesting relief on behalf of **[REDACTED]** in order to establish January 1, 2000 as the effective date for its S corporation election. Although we are unable to respond to your request as submitted, this letter provides useful information relating to your request.

Based on the information you have provided, **[REDACTED]** filed a Form 1120s for tax year 2000 on May 15, 2001. For purposes of Rev. Proc. 97-48, the return was not timely as it was filed after March 15, 2001. Consequently, automatic relief under Rev. Proc. 97-48 is unavailable in this matter. To seek relief, you may submit a private letter ruling 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 2002-1 (copy enclosed). In addition, Rev. Proc. 2002-1 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 small business website which provides information and various useful links. Visit this special site at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz). Additionally, you can order a single, free copy of the *Small Business Resource Guide* CD-ROM, by calling 1-800-829-3676. The CD-ROM provides critical tax information including forms, instructions, and publications, as well as valuable 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  
Chief, Branch 1  
Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures:

Announcement 97-4  
Rev. Proc. 2002-1