

INTERNAL REVENUE SERVICE

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Dear 

We are responding to correspondence requesting a confirmation of acceptance regarding your Election by a Small Business Corporation (Form 2553) and Entity Classification Election (Form 8832). According to the Internal Revenue Service records neither election was received timely. Although we are unable to respond to your request as submitted, this letter provides information relating to your request.

In section 4 of Revenue Procedure 98-55, the IRS provides special procedures that permit certain taxpayers to obtain automatic late S corporation relief. The facts presented in your situation appear to be covered by this revenue procedure. In order to receive relief, you must fax your Form 2553, marked "FILED PURSUANT TO REV. PROC. 98-55," accompanied by a statement explaining the reason for the failure to file the Form 2553 timely, and faxed to the Ogden Service Center at (801) 620-7116. Please keep a copy of the fax receipt reflecting that the election was filed before the deadline of March 15, 2003.

Similarly, in Revenue Procedure 2002-59, the IRS provides relief for an entity newly formed under local law that request relief for a late initial classification election filed by the due date of the first federal tax return (excluding extensions). In your case, you must file Form 8832, at the top of which must state "FILED PURSUANT TO REV. PROC. 2002-59," and include a statement explaining the reason for the failure to file a timely election. Your submission pursuant to Rev. Proc. 2002-59 should be sent to:

Internal Revenue Service Center
Entity Classification
Philadelphia, PA 19255

We strongly suggest that you submit Form 8832 using Certified Mail or another means that will provide you with a filing receipt. You must file the Form 8832 pursuant to Rev. Proc. 2002-59, before March 15, 2003.

As a means of educating small business owners on their tax responsibilities, the IRS has developed two CD-ROMs: (1) *Introduction to Federal Taxes for Small Business/Self-Employed*; and (2) *A Virtual Small Business Workshop*. These two CD-ROMs are free and can be ordered by calling 1-800-829-3676. The IRS also provides a special website, www.irs.gov/smallbiz which is dedicated to providing information to small business taxpayers.

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,
DIANNA K. MIOSI
Chief, Branch 1
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures:

Rev. Proc. 98-55
Rev. Proc. 2002-59
Copy of submission