

**INTERNAL REVENUE SERVICE**

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CC:PSI:1-GENIN-1254658-03

April 25 2003

UILC 1362.00-00

Dear [REDACTED]:

We are responding to a letter, submitted on your behalf by [REDACTED], requesting automatic relief for your late S corporation election. Based on the information submitted, it appears that you wish to establish S corporation status effective as of the 1998 taxable year. However, automatic relief is unavailable under Revenue Procedure 97-48 because your tax return for 1998 was filed late. Although we are unable to respond to your request as submitted, this letter provides information relating to your request.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections. Generally, to request relief for a late S corporation election you must request a private letter ruling from the National Office. The information forwarded to our office is insufficient for us to process a private letter ruling request. The procedures for requesting a private letter ruling are set forth in Revenue Procedure 2003-1 (copy enclosed). In addition, taxpayers must submit a user fee along with their ruling request. The standard fee for a private letter ruling is \$6,000; however, if your corporate gross income was less than \$1 million for the most recent 12-month taxable year, you qualify for the **reduced user fee**, which is \$500. You must include a brief statement claiming that your gross income for the last 12-month taxable year was less than \$1 million if you send the lower fee.

If you decide to submit a formal request for a private letter ruling, please follow the sample format provided in Appendix B of Rev. Proc. 2003-1. Your request should include all required procedural statements, a check for the user fee, and any documents that substantiate your intent to be an S corporation from inception. Please 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

In addition, the IRS has developed two new CD-ROMs to help educate small business owners on their tax responsibilities: (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](http://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,

**/s/ Dianna K. Miosi**

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

Enclosures:

Announcement 97-4  
Rev. Proc. 2003-1  
Copy of submission