

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:1-GENIN-149335-03

Date:

Sept 8 2003

Re:

Dear

This is in response to your letter dated August 11, 2003. According to the facts provided, you intend to file a revocation of the S election of the above captioned company.

Section 1.1362-6(a)(3)(i) of the Income Tax Regulations provides as follows.

To revoke an election, the corporation files a statement that the corporation revokes the election made under § 1362(a). The statement must be filed with the service center where the election was properly filed. The revocation statement must include the number of shares of stock (including non-voting stock) issued and outstanding at the time the revocation is made. A revocation may be made only with the consent of shareholders who, at the time the revocation is made, hold more than one-half of the number of issued and outstanding shares of stock (including non-voting stock) of the corporation. Each shareholder who consents to the revocation must consent in the manner required under § 1.1362-6(b). In addition, each consent should indicate the number of issued and outstanding shares of stock (including non-voting stock) held by each shareholder at the time of the revocation.

Section 1.1362-6(b)(1) provides in part the following.

A shareholder's consent required under § 1.1362-6(a) must be in the form of a written statement that sets forth the name, address, and taxpayer identification number of the shareholder, the number of shares of stock owned by the shareholder, the date (or dates) on which the stock was acquired, the date on which the shareholder's taxable year ends, the name of the S corporation, the corporation's taxpayer identification

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number, and the election to which the shareholder consents. The statement must be signed by the shareholder under penalties of perjury.

We hope this information is helpful.

Sincerely,

/s/ David R. Haglund

David R. Haglund
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Office of Associate Chief Counsel
(Passthroughs and Special Industries)