

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:

, ID No.

Telephone Number:

In Re:

Refer Reply To:

CC:PSI:B01 – GENIN-115142-03

Date:

November 05, 2003

Dear [REDACTED]

We are answering correspondence, submitted by your representative, requesting relief in order to establish an entity election and S corporation status effective as of the 1998 taxable year. If you have proof of timely mailing your Forms 8832 and 2553, we can intervene on your behalf; otherwise, you must formally request relief via the private letter ruling process.

We are able, via the private letter ruling process, to grant an extension of time to file an entity election Form 8832 when a taxpayer provides the evidence to establish to the satisfaction of the Commissioner that the taxpayer has acted reasonably and in good faith, and the grant of relief will not prejudice the interests of the government. Similarly, we are able to consider requests for relief relating to S corporation elections under § 1362(b)(5) of the Internal Revenue Code.

In order to request relief for your late elections you must specifically request a private letter ruling from the National Office. 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 user fee for a private letter ruling is \$6,000; however, taxpayers with gross income of less than \$1 million on their tax return for the most recent 12-month taxable year, qualify for a **reduced user fee** in the amount of \$500. If you qualify for the reduced fee, you must include a statement claiming that your gross income for the last 12-month taxable year was less than one million dollars.

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. 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

Incidentally, the IRS has developed two compact discs 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 items are free and can be ordered by calling 1-800-829-3676. The IRS also makes information available to small business taxpayers online at www.irs.gov/businesses/small/index.

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)

Enclosure:
Rev. Proc. 2003