

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:B03 – GENIN-155781-03

Date:

October 24, 2003

Dear [REDACTED]:

This letter responds to your letter dated June 16, 2003, written on behalf of Sun Made Juice Products, Inc., requesting automatic S corporation relief for your 2001 taxable year under § 1362(b)(5) of the Internal Revenue Code. While your 2001 tax return was timely filed, automatic late S corporation relief is unavailable under Rev. Proc. 97-48, 1997-2 C.B. 521, because the Internal Revenue Service sent to you a notification of the failure to file Form 2553, Election by a Small Business Corporation, within 6 months of receiving your 2001 return. Although we are unable to respond to your request as submitted, this letter provides information relating to your request.

Announcement 97-4, 1997-3 I.R.B. 14, (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 Rev. Proc. 2003-1, 2003-1 I.R.B. 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 \$1 million.

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

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.html.

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,

/s/

Mary Beth Collins
Senior Technician Reviewer, Branch 3
Office of Associate Chief Counsel
(Passthroughs & Special Industries)

Enclosures (2)
Announcement 97-4
Rev. Proc. 2003-1