

**INTERNAL REVENUE SERVICE**

Number: **INFO 2003-0302**  
Release Date: 12/31/2003

[REDACTED]

CC:PSI:1-GENIN-156659-03

Oct 17 2003  
UILC 1362.01-03

Dear [REDACTED]:

We are responding to your letter requesting automatic relief in order to establish S corporation status effective as of the 2001 taxable year. The information submitted indicates that you filed a Form 2553 timely; however, the Internal Revenue Service failed to receive a timely election for your account, and you have not produced proof of mailing it (*e.g. Certified Mail receipt*). In your situation, automatic relief is unavailable under Revenue Procedure 97-48 because IRS records indicate that a notice regarding the missing S corporation election was sent to you within six months of the date your first Form 1120S was filed. Although we are unable to grant automatic relief, 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 (PLR) from the National Office. The request sent to our office is insufficient for us to process a PLR. The procedures for requesting a PLR are set forth in Revenue Procedure 2003-1 (copy enclosed). In addition, a user fee must be submitted along with the request. The standard fee is \$6,000; however, taxpayers with gross income of less than \$1 million on their tax return for the most recent 12-month taxable period, qualify for a *reduced fee* in the amount of \$500. If you qualify for the reduced fee, you must include a statement indicating that your corporate 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 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