

Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

Person To Contact:

, ID No. 50-06241

Telephone Number:

Refer Reply To:

CC:PSI – GENIN-164268-03

Date:

January 07, 2004

In Re:

Dear : [REDACTED]:

We are answering your correspondence requesting late S corporation relief for an effective date of April 4, 2001. Based on the information submitted, and your Internal Revenue Service account history, it appears that you were notified about a problem with your S corporation election in June 2002 (within 6 months of the filing date of your first Form 1120S). Therefore, you are ineligible for automatic late S corporation relief pursuant to Revenue Procedure 97-48. 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 from the National Office. The information forwarded to our office is insufficient for us to process a ruling request. The procedures for requesting a ruling are set forth in Revenue Procedure 2003-1 (copy enclosed). In addition, taxpayers must submit a user fee along with their request. The standard fee is \$6,000; however, if the entity's gross income was less than \$1 million on the return for the most recent 12-month taxable year, it qualifies for the *reduced user fee* in the amount of \$500. If you submit \$500, you must include a statement certifying the entity's gross income for the last 12-month taxable year.

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 (see Part F of Appendix B), a check for the proper user fee, and any documents that substantiate your intent to be an S corporation from inception. Please refer your request to our office by using the following 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 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 CD-ROMs are free and can be ordered by calling 1-800-829-3676. The IRS also provides a special website, www.irs.gov/businesses/small, 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:

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