

Internal Revenue Service

Number: **INFO 2005-0163**
Release Date: 9/30/2005
Index Number: 1362.01-03

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.
Telephone Number:

Refer Reply To:
CC:PSI
GENIN-129763-05
Date:
July 22, 2005

Dear [REDACTED]:

This letter responds to your inquiry regarding a late election under Subchapter S for the taxable year. The information submitted indicates that you are automatic relief pursuant to Revenue Procedure 97-48.

In your situation, automatic relief pursuant to Revenue Procedure 97-48 is unavailable as the Service Center records reflect that your Form 1120S for the taxable year was filed late. Further, a letter notifying you about the lack of an election was issued in December 2002, which was within six months after receiving your return.

Generally, to request relief for a late S corporation election you must request a private letter ruling (PLR) from the National Office. The procedures for requesting a PLR are set forth in Revenue Procedure 2005-1 (copy enclosed). The standard user fee for a PLR request is \$7,000; however, if your entity's gross income was less than \$1 million on the tax return, you may pay the reduced user fee in the amount of \$625. In order for the lower fee to be accepted, your PLR submission must include a brief statement verifying corporate gross income for the taxable year.

If you decide to submit a formal request for a PLR, please follow the sample format shown in Appendix B of Rev. Proc. 2005-1. Your request must include required procedural statements, a user fee check, and documents that substantiate your intent to elect S corporation status. Please refer your ruling request to the following address:

Attn: CC:PA:T
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044
Direct to: CC:PSI:1

Incidentally, the IRS has developed two compact discs to help educate small business owners on their tax responsibilities: (1) Publication 3693, *Introduction to Federal Taxes*

for Small Business/Self-Employed; and (2) Publication 3700, *Small Business Workshop*. These items are free and can be ordered by calling 1-800-829-3676. An online small business classroom is also available at www.irs.gov/businesses/small.

This letter is intended for informational purposes only and does not constitute a ruling. 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. If you have any additional questions, please contact our office at (202) 622-3050.

Sincerely,

/s/ Dianna K. Miosi

Dianna K. Miosi
Chief, Branch 1
Office of Chief Counsel
(Passthroughs & Special Industries)

Enclosure (1)