

Internal Revenue Service

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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-151311-05

Date: April 21, 2006

Dear _____ :

You have asked that we recognize an election under Subchapter S for the 2003 taxable year. The information submitted explains that you filed Form 2553 in December 2004 with the understanding that it was covered by Hurricane Frances tax relief.

The Service Center records reflect that your 2003 tax return was received during March 2005, and your election Form 2553 was received in June 2005. Both documents appear to have been filed after December 30, 2004 (due date offered to hurricane victims). Further, automatic relief pursuant to Rev. Proc. 97-48 is unavailable because your 2003 tax return was filed late.

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 user fee for a PLR request is \$7,000; however, if your corporate gross income was less than \$1 million on the 2004 tax return, you may pay \$625. In order for us to accept the \$625 fee, your PLR submission must include a brief statement verifying 2004 corporate gross income.

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 has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. If you have additional questions, please contact our office at () .

Sincerely,

/s/

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

Enclosure (1)