

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:B01

GENIN-143186-04

Date:

August 31, 2005

Taxpayer =

(EIN:)

Dear :

We are responding to your submission of Form 2553 on behalf of the above captioned taxpayer. Generally, to obtain relief for a late filing of Form 2553 (Election by a Small Business Corporation), the taxpayer needs to request a private letter ruling from the National Office. The information submitted to our office is insufficient for us to process a private letter ruling request.

Announcement 97-4 provides guidance on seeking relief for late S corporation elections. The procedures for requesting a private letter ruling are set out in Revenue Procedure (Rev. Proc.) 2005-1 (copy enclosed). Requests for letter rulings must be accompanied by an appropriate amount of the user fee. The standard user fee for a private letter ruling is \$7,000. 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 \$625. If the taxpayer qualifies for the reduced fee, the ruling request must include a statement certifying the taxpayer's gross income for the last 12-month taxable year. Otherwise, the higher fee will apply. For details, please refer to Appendix A of Rev. Proc. 2005-1.

If the taxpayer decides to submit a formal request for a private letter ruling, please review Appendix B of Rev. Proc. 2005-1, and be certain to include all required procedural statements. Also include the proper user fee and any documents that substantiate the taxpayer's intent to be an S corporation from the time of the desired effective date. Requests for letter rulings should be sent to the following address:

Internal Revenue Service
Attn: CC:PA:LPD:DRU
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

For general tax information concerning small businesses, please go to www.irs.gov/smallbiz, which is dedicated to providing information to small business taxpayers and educating small business owners on their tax responsibilities.

We hope that the above information proves helpful.

Sincerely,

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

Enclosure (1)