

**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-113434-05

Date:

August 31, 2005

Taxpayer = .

Dear :

We are responding to your letter on behalf of the Taxpayer, dated February 9, 2005, and other related correspondence, requesting a reinstatement of the Taxpayer's S election, effective January 1, 2003.

According to the information provided, the Taxpayer terminated its S election by revocation, effective January 1, 2003. The Internal Revenue Service (IRS) accepted the revocation. Under I.R.C. § 1362(g) of the Internal Revenue Code, a corporation which has terminated its S election by revocation is ineligible for a new S election until the 5<sup>th</sup> taxable year which begins after the taxable year of the termination, absent a showing of any reason justifying the Secretary's consent for a new S election within the prohibition period under § 1.1362-5 of the Income Tax Regulations.

The IRS has a small business website which provides information and various useful links. Visit this special site at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz). Additionally, you can order a single, free copy of the *Small Business Resource Guide* CD-ROM, by calling 1-800-829-3676. The CD-ROM provides critical tax information including forms, instructions, and publications, as well as valuable information from a variety of government agencies, non-profit organizations, and educational institutions.

We hope that the above information proves helpful.

Sincerely yours,

DIANNA K. MIOSI

Chief, Branch 1

Office of the Associate Chief Counsel  
(Passthroughs and Special Industries)