

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-129753-05

Date:

June 24, 2005

Dear _____ :

This letter responds to your inquiry postmarked April 30, 2005, regarding a late election under Subchapter S for the _____ taxable year. Automatic relief for your election is unavailable pursuant to Revenue Procedure 2003-43, because your _____ tax return Form 1120S was filed after six months of the due date.

In order to apply for 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 for the 2004 tax period, 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 your entity's gross income for the 2004 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 the 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. 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 () .

Sincerely,

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

Enclosure (1)