

ID: CCA-107103-08

Number: **200913042**

Office:

Release Date: 3/27/2009

UILC: 7701.02-00

From:

Sent: Tue 10/7/2008 10:37 AM

To:

Cc:

Subject: RE: Invalid Check the box to be S Corp and also S Corp Election invalid, now partnership by default?

I have forwarded this to [redacted] for answers on the default entity rules.

If the default to a C corporation applies, we would issue a non-TEFRA notice of deficiency to the corporation as a C corporation.

If it defaults to a partnership, TEFRA would apply since the LLC members are pass-thru entities disqualifying it from the small partnership exception to TEFRA. But the statute would be held open indefinitely since no partnership return was filed. I.R.C. 6229. [redacted]