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Department of the Treasury  
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Person To Contact:  
, ID No.  
Telephone Number:

Refer Reply To:  
CC:PSI:BR01  
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Date:  
November 24, 2010

Dear :

This letter is in response to your written request seeking relief for the failure to file a timely Form 2553 (Election by a Small Business Corporation).

Section 1362(a) of the Internal Revenue Code provides that a small business corporation can elect to be treated as an S corporation. Section 1362(b) of the Code provides guidance on when the S election becomes effective. If an S election is made within the first two and one-half months of a corporation's taxable year, then that corporation will be treated as an S corporation for the year in which the election was made. If the corporation makes an election after the first two and one-half months of a corporation's taxable year, then the corporation will generally not be treated as an S corporation until the following taxable year.

Section 1362(b)(5) of the Code provides that if no election is made pursuant to section 1362(a), or if the election is made after the date prescribed for making such an election, and the Secretary determined reasonable cause existed for the failure to timely make the election, then the Secretary can treat such an election as being timely made for that taxable year and effective as of the first day of that taxable year. The Secretary will grant relief under section 1362(b)(5) only upon receipt and evaluation of a private letter ruling request.

As stated above, in order to receive relief to file a late S corporation election (Form 2553), the taxpayer must submit a valid and complete request for a private letter ruling. The procedure for submitting such a request is outlined in Revenue Procedure 2010-1 (2010-1 I.R.B. 1).

Please note that there is a filing fee required, if you decide to seek a private letter ruling (see Appendix A of Rev. Proc. 2010-1, enclosed for your convenience). In addition Appendix B (enclosed for your convenience) provides a sample letter ruling

format which should be followed. It contains a complete ruling request with descriptions of what is required. Finally, Appendix C (enclosed for your convenience) is a required checklist that should be filled out and submitted with your private letter ruling request to ensure its completeness.

We appreciate this opportunity to provide you with assistance. Please keep a copy of this letter for your records. If you have further questions, please contact us at (not a toll free number).

Sincerely,

Cornelia J. Schnyder

Cornelia J. Schnyder  
Senior Technician Reviewer, Branch 1  
Office of the Associate Chief Counsel  
(Passthroughs and Special Industries)

Encl: Appendices A, B and C (Rev. Proc. 2010-1)