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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:
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Date:
August 07, 2026

LEGEND

X =

Y =

Z =

A =

B =

Date 1 =

Date 2 =

Date 3 =

State 1 =

State 2 =

Dear :

This letter responds to a letter dated December 23, 2025, and subsequent correspondence, submitted on behalf of X by its authorized representative, requesting relief (1) under § 301.9100-3 of the Procedure and Administration Regulations to file an election to be classified as an association taxable as a corporation under § 301.7701-3 and (2) under § 1362(b)(5) of the Internal Revenue Code (Code) to file a late S corporation election.

FACTS

The information submitted states that A was the sole owner of Z, a State 1 limited liability company and an entity disregarded as separate from its owner under § 301.7701-2(c)(2)(i) (disregarded entity). B was the sole owner of Y, a State 2 limited liability company and a disregarded entity.

On Date 1, A formed X as a State 1 limited liability company. Effective Date 2, the parties engaged in the following reorganization: A contributed all the ownership interests in Z to X, Y merged into Z under local law with Z as the surviving entity, and B exchanged all the ownership interests in Y in exchange for ownership interests in X.

Pursuant to the reorganization, X represents that Z was intended to be a disregarded entity of X effective Date 2. However, X represents that Z mistakenly filed Form 2553, Election by a Small Business Corporation, effective Date 3. Since X owned all the ownership interests in Z effective Date 2, Z's S corporation election effective Date 3 was not valid because it was not a small business corporation within the meaning of § 1361(b)(1).

X intended to elect to be classified as an association taxable as a corporation and to elect to be treated as an S corporation for federal tax purposes, both effective Date 2. However, X failed to file Form 2553, including the deemed election to be classified as an association taxable as a corporation under § 301.7701-3(c)(1)(v)(C), or any separate Form 8832, Entity Classification Election, effective Date 2.

LAW

Section 1361 provides, in part, that a "small business corporation" means a domestic corporation which is not an ineligible corporation and which does not have as a shareholder a person (other than an estate, a trust described in § 1361(c)(2) or an organization described in § 1361(c)(6)) who is not an individual.

Section 1362(a) provides that a small business corporation may elect to be an S corporation.

Section 1362(b)(1) provides that an election under § 1362(a) may be made by a small business corporation for any taxable year (A) at any time during the preceding taxable year, or (B) at any time during the taxable year and on or before the 15th day of the third month of the taxable year.

Section 1362(b)(3) provides that if (A) a small business corporation makes an election under § 1362(a) for any taxable year, and (B) such election is made after the 15th day of the third month of the taxable year and on or before the 15th day of the third month of the following taxable year, then such election is treated as made for the following taxable year.

Section 1362(b)(5) provides that if (A) an election under § 1362(a) is made for any taxable year (determined without regard to § 1362(b)(3)) after the date prescribed by § 1362(b) for making such election for such taxable year or no such election is made for any taxable year, and (B) the Secretary determines that there was reasonable cause for the failure to timely make such election, the Secretary may treat such an election as timely made for such taxable year (and § 1362(b)(3) shall not apply).

Section 301.7701-3(a) provides that a business entity that is not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an eligible entity) can elect its classification for federal tax purposes. An eligible entity with at least two members can elect to be classified as either an association (and thus a corporation under § 301.7701-2(b)) or a partnership. Elections are necessary only when an eligible entity does not want to be classified under its default classification or when an eligible entity chooses to change its classification.

Section 301.7701-3(b)(1) provides that, unless the entity elects otherwise, a domestic eligible entity is (i) a partnership if it has two or more members; or (ii) disregarded as an entity separate from its owner if it has a single owner.

Section 301.7701-3(c)(1)(i) provides that an eligible entity may elect to be classified other than as provided under § 301.7701-3(b) by filing Form 8832 with the service center designated on Form 8832. Section 301.7701-3(c)(1)(iii) provides that the election will be effective on the date specified by the entity on Form 8832 or on the date filed if no such date is specified. The date specified on Form 8832 cannot be more than 75 days before the date on which the election is filed.

Section 301.7701-3(c)(1)(v)(C) provides that an eligible entity that timely elects to be an S corporation under § 1362(a)(1) is treated as having made an election under § 301.7701-3 to be classified as an association, provided that (as of the effective date of the election under § 1362(a)(1)) the entity meets all other requirements to qualify as a small business corporation under § 1361(b). Subject to § 301.7701-3(c)(1)(iv), the deemed election to be classified as an association will apply as of the effective date of the S corporation election and will remain in effect until the entity makes a valid election under § 301.7701-3(c)(1)(i), to be classified as other than an association.

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time to make a regulatory election, or a statutory election (but no more than 6 months except in the case of a taxpayer who is abroad), under all subtitles of the Code except subtitles E, G, H, and I. Section 301.9100-1(b) provides that the term "regulatory election" includes an election whose due date is prescribed by a regulation published in the Federal Register.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make the election. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Section § 301.9100-3(a) provides that a request for relief will be granted when the taxpayer provides the evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that (1) the taxpayer acted reasonably and in good faith, and (2) the grant of relief will not prejudice the interests of the Government.

ANALYSIS

Based solely on the information submitted and the representations made, we conclude that X has satisfied the requirements of §§ 301.9100-1 and 301.9100-3. Therefore, X is granted an extension of time of 120 days from the date of this letter to file Form 8832 with the appropriate service center to elect to be classified as an association taxable as a corporation for federal tax purposes, effective Date 2. A copy of this letter must accompany Form 8832.

In addition, based solely on the facts submitted and the representations made, we conclude that X has established reasonable cause for failing to make a timely election to be an S corporation effective Date 2 and is eligible for relief under § 1362(b)(5). Accordingly, if X makes an election to be an S corporation by filing a completed Form 2553 effective Date 2, with the appropriate service center within 120 days from the date of this letter, then such election shall be treated as timely made. A copy of this letter must accompany Form 2553.

Finally, this ruling is contingent on X and its shareholders filing within 120 days from the date of this letter all required returns for all open years consistent with the requested relief. A copy of this letter much accompany any such returns.

We express no opinion concerning the assessment of any interest, additions to tax, additional amounts, or penalties for failure to file a timely tax or information return with respect to any taxable year that may be affected by this ruling. For example, we express no opinion as to whether the taxpayer is entitled to any relief from any penalty

on the basis that the taxpayer had reasonable cause for failure to timely file any income tax or information returns.

Except as expressly provided herein, we express or imply no opinion concerning the federal tax consequences of the facts of this case under any other provision of the Code. Specifically, we express or imply no opinion regarding X's eligibility to be an S corporation. In addition, § 301.9100-1(a) provides that the granting of an extension of time for making an election is not a determination that the taxpayer is otherwise eligible to make the election.

The ruling contained in this letter is based on information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the requested ruling, it is subject to verification on examination.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the power of attorney on file with this office, we are sending a copy of this letter to your authorized representative.

Sincerely,

Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

By: _____
Elizabeth V. Zanet
Senior Technician Reviewer, Branch 3
Office of the Associate Chief Counsel
(Passthrough, Trusts, and Estates)

Enclosure:
Copy of this letter for § 6110 purposes

cc: