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:PTE:B03
PLR-104865-26
Date:
August 24, 2026

Legend

X =

Date =

State =

Dear :

This letter responds to a letter dated April 15, 2026, submitted on behalf of X by its authorized representative, requesting relief to file a late S corporation election under § 1362(b)(5) of the Internal Revenue Code (Code).

FACTS

According to the information submitted, X was incorporated on Date under the laws of State. X intended to elect to be treated as an S corporation for federal tax purposes effective Date. However, X failed to timely file a Form 2553, Election by a Small Business Corporation, effective Date.

LAW AND ANALYSIS

Section 1362(a)(1) provides that, except as provided in § 1362(g), a small business corporation may elect, in accordance with § 1362, 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 current 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) the 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 the 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 the election for the taxable year or no § 1362(a) 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 the taxable year (and § 1362(b)(3) shall not apply).

CONCLUSION

Based solely on the facts submitted and representations made, we conclude that X has established reasonable cause for failing to make a timely election to be an S corporation effective Date 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, 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

This ruling is contingent on X and its shareholders filing within 120 days from the date of this letter all required federal income tax returns (including amended returns) for all open years consistent with the requested relief. A copy of this letter must 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 this taxpayer is entitled to any relief from any penalty on the basis that this taxpayer had reasonable cause for failure to file timely any income tax or information returns.

Except as expressly provided herein, we express or imply no opinion concerning the federal tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we express or imply no opinion concerning whether X is otherwise eligible to be an S corporation for federal tax purposes.

The ruling contained in this letter is based upon 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 ruling request, it is subject to verification on examination.

This ruling is directed only to the taxpayer who requested 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 the office, a copy of this letter is being sent to X's authorized representative.

Sincerely,

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

Enclosure:
A copy of this letter

cc: