

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI – GENIN-169592-03

Date:

January 07, 2004

In Re:

Dear : [REDACTED]:

We are answering your correspondence requesting a private letter ruling in order to be considered for late S corporation relief under § 1362(b)(5) of the Internal Revenue Code. Based on your account history, it appears that you are ineligible for automatic relief under Revenue Procedure 97-48 because the Internal Revenue Service failed to receive a timely tax return Form 1120S for your first taxable year. Although we are unable to respond to your request as submitted, this letter provides information relating to rectifying your situation.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections. Generally, to request relief for a late S corporation election back to the date of incorporation, you must request a private letter ruling from the National Office. The information forwarded to our office is insufficient for us to process a private letter ruling request. The procedures for requesting a private letter ruling are set forth in Revenue Procedure 2003-1 (copy enclosed). In addition, taxpayers must submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$6,000; however, taxpayers with gross income of less than \$1 million on their tax return for the most recent 12-month taxable year, qualify for a reduced user fee in the amount of \$500. If you are qualified for the reduced fee, please include a statement certifying that your gross income for the 2003 was less than \$1 million.

If you decide to submit a formal request for a private letter ruling, please follow the sample format provided in Appendix B of Rev. Proc. 2003-1. Your request should include all required procedural statements, a check for the user fee, and any documents that substantiate your intent to be an S corporation from inception. Please refer your request to our office by adding the following to the address:

Internal Revenue Service
Attn: CC:PA:T
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Direct to: CC:PSI:1
Room 5002

In addition, the IRS has developed two new CD-ROMs to help educate small business owners on their tax responsibilities: (1) Introduction to Federal Taxes for Small Business/Self-Employed; and (2) A Virtual Small Business Workshop. These two CD-ROMs are free and can be ordered by calling 1-800-829-3676. The IRS also provides a special website, www.irs.gov/businesses/small which is dedicated to providing information to small business taxpayers.

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.

Sincerely yours,

/s/

DIANNA K. MIOSI
Chief, Branch 1
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures:
Announcement 97-4
Rev. Proc. 2003-1