

**INTERNAL REVENUE SERVICE**

Number: **INFO 2001-0259**

Release Date: 12/31/2001

[REDACTED]

[REDACTED]

[REDACTED]

CC:PSI:1-GENIN-144011-01

Sept. 18, 2001

UILC 1362.00-00

[REDACTED]:

This letter is being sent to you, as designated Power of Attorney, pursuant to an executed Form 2848. We are responding to correspondence you submitted on behalf of [REDACTED], requesting relief in order to establish July 1, 2000, as the effective date for their S corporation election. The information submitted explains that the taxpayer's Form 2553 was postmarked May 3, 2001, and submitted under Revenue Procedure 98-55. Unfortunately, the relief window provided by this revenue procedure expired on March 15, 2001 (the unextended return due date) rendering the taxpayer ineligible for automatic relief. Although we are unable to respond to your request as submitted, please read this letter for important information about how to correct the taxpayer's situation.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections. The procedures for requesting a ruling are set out in Revenue Procedure 2001-1 (copy enclosed). In addition, a proper user fee must be submitted along with your request. The fee for a ruling is \$6,000; however, taxpayers with gross income of less than \$1 million for the last 12-month taxable period qualify for a **reduced user fee** in the amount of \$500. If the taxpayer qualifies for the reduced fee, your request must include a statement certifying gross income; otherwise, you will be billed the higher fee. Please format your ruling request as shown in Appendix B of Rev. Proc. 2001-1.

If you decide to submit a ruling request, please provide documents supporting the taxpayer's intention to be an S corporation and include the appropriate user fee. Please refer your package to our office by adding the following to the address:

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

Direct to: CC:PSI:B1  
Room 5002

If you have computer web access, you may wish to visit [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) for specialized tax information, products, and forms relating to small businesses.

You may call our office if you need assistance at any point in the private letter ruling process. Please keep this letter with the taxpayer's records. Pursuant to the Form 2848, a copy of this letter is being sent to the taxpayer under separate cover. We hope that the above information proves helpful.

Sincerely yours,

**/s/ Dianna K. Miosi**

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

Enclosures:

Announcement 97-4  
Rev. Proc. 2001-1  
Copy of Submission