

**INTERNAL REVENUE SERVICE**

Number: **INFO 2002-0052**

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[REDACTED]

CC:PSI:1-GENIN-107379-02

March 18, 2002

UILC 1362.00-00

[REDACTED]:

We are responding to correspondence, submitted on your behalf by [REDACTED], requesting relief in order to establish the 2000 taxable year as the effective year for your S corporation election. Incidentally, [REDACTED] letter was forwarded to our office by the Atlanta Georgia Service Center staff. Automatic late S corporation relief is unavailable under Revenue Procedure 97-48 because the Internal Revenue Service notified you about the election deficiency within six months of receiving Form 1120S for the 2000 taxable year. The information forwarded to our office is insufficient for us to process a private letter ruling request. Although we are unable to respond to your request as submitted, this letter provides information relating to your request.

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 you must request a private letter ruling from the National Office. The procedures for requesting a private letter ruling are set out in Revenue Procedure 2002-1 (copy enclosed). In addition, Rev. Proc. 2002-1 requires taxpayers to 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 qualify for the reduced fee, you must include a statement certifying your gross income for the last 12-month taxable year. Otherwise, the higher fee will apply.

If you decide to submit a formal request for a private letter ruling, please review Appendix B of Rev. Proc. 2002-1, and be certain to include all required procedural statements. Also include the proper 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:

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

Direct to: CC:PSI:1  
Room 5002

By way of introduction, the IRS has a small business website which provides information and various useful links. Visit this special site at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz). Additionally, you can order one free copy of the *Small Business Resource Guide* CD-ROM, by calling 1-800-829-3676, press 1, then 2, and ask the operator for Publication 3207. The CD-ROM provides critical tax information including forms, instructions, and publications, as well as valuable information from a variety of government agencies, non-profit organizations, and educational institutions.

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. 2002-1