

INTERNAL REVENUE SERVICE

Number: **INFO 2002-0053**

Release Date: 6/28/2002

[REDACTED]

CC:PSI:1-GENIN-103587-02

March 15, 2002

UILC 1362.00-00

[REDACTED]:

We are responding to your correspondence requesting relief in order to establish S corporation status effective beginning January 1, 2000. The information submitted explains that you intended to elect S corporation status at inception, but neglected to file a timely Form 2553. You are ineligible for automatic relief under Revenue Procedure 97-48 because the Internal Revenue Service notified you timely about the lack of an election on your account. 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 be billed to you. .

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. You must also include the proper user fee and any documents that substantiate your intent to be an S corporation from the requested effective date. 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. Additionally, you can order a single, free copy of the *Small Business Resource Guide* CD-ROM, by calling 1-800-829-3676. 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
Copy of submission