

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:PSI

GENIN-162136-05

Date:

March 15, 2006

Dear

We are answering correspondence requesting late S corporation relief. This letter provides general information relating to your request. Automatic relief is unavailable under Revenue Procedure 97-48 because the Internal Revenue Service failed to consistently receive Forms 1120S. Your situation is outside the scope of Rev. Proc. 2003-43 because the window period for relief has passed.

Generally, to request relief for a late S corporation election you must request a private letter ruling (PLR) from the National Office. The procedures for requesting a PLR are set forth in Revenue Procedure 2006-1, a copy which can be found at www.irs.gov. The user fee for a PLR is based on gross income for the last-filed tax return. The fee of \$10,000 must be paid by taxpayers with gross income over \$1 million. However, if your gross income was over \$250,000 but less than \$1 million, the fee is \$2,500, and if gross was less than \$250,000, the fee is \$625. If you qualify to submit either reduced fee a statement certifying your eligibility must be included with your PLR request.

When you prepare a PLR request, please follow the sample format provided in Appendix B of Rev. Proc. 2006-1. Your request should include all required statements, a user fee check, and documents that substantiate your intent to be an S corporation. Please refer your request to our office by using the following address:

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

Direct to: CC:PSI:1
Room 5002

Incidentally, the IRS has developed two compact discs to help educate small business owners on their tax responsibilities: (1) Publication 3693, *Introduction to Federal Taxes for Small Business/Self-Employed*; and (2) Publication 3700, *Small Business Workshop*. These free items can be ordered by calling 1-800-829-3676. In addition, online Learning Products can be found online at www.irs.gov/businesses/small/.

This letter is intended for informational purposes only and does not constitute a ruling. Please keep this letter with your tax records and provide a copy of it to your authorized representative. We hope that the above information proves helpful. If you have any additional questions, please contact our office at ()

Sincerely,

Dianna K. Miosi
Chief, Branch 1
Office of Chief Counsel
(Passthroughs & Special Industries)