Internal Revenue Service

Number: **INFO 2005-0091** Release Date: 6/30/2005 Index Number: 1362.01-03 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:B01 GENIN-104833-05

Date:

April 27, 2005

Taxpayer =

Dear :

We are responding to your letter on behalf of Taxpayer, requesting a private letter ruling granting a late S election effective January 25, 2001. Although we are unable to respond to the request as submitted, this letter provides useful information relating to the request.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections and inadvertent invalid S corporation elections. Generally, to request relief for a late or invalid 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 Rev. Proc. 2005-1 (copy enclosed). In addition, Rev. Proc. 2005-1 requires taxpayers to submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$7,000. However, taxpayers with gross income of less than \$1 million on their last-filed tax return qualify for a **reduced user fee** in the amount of \$625. If you are eligible to use the reduced fee provision you must include the statement described in '(B)(1)(b) of Appendix A with your request. Please review Appendix B for a sample format for requesting a private letter ruling.

If you decide to submit a formal request for a private letter ruling, please include the proper user fee (if applying under the reduced fee provisions, send a statement certifying gross income), and 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

<u>Direct to:</u> 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.

We hope that the above information proves helpful.

Sincerely yours,

/s/ Dianna K Miosi

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

Enclosures:

Announcement 97-4 Rev. Proc. 2005-1