

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **INFO 2004-0030**

Release Date: 3/31/04

Index Number: 1362.01-03

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:B1 – GENIN-163356-03

Date:

Jan 20 2004

Taxpayer =

Dear :

This responds to your letter of October 11, 2003 in which you requested that we recognize Taxpayer's revocation of its election to be an S corporation, effective November 2, 2000.

Section 1362(d)(1)(A) of the Internal Revenue Code states that an election to be an S corporation for federal tax purposes may be terminated by revocation. Section 1.1362-6(a)(3)(i) provides that revocation occurs when a corporation files a statement that it revokes its election to be an S corporation with the service center where the election was originally filed.

Section 1.1362-6(a)(3) of the Income Tax Regulations requires that the revocation statement include the number of shares of stock (including non-voting stock) issued and outstanding at the time the revocation is made. A revocation may be made only with the consent of shareholders who, at the time the revocation is made, hold more than one-half of the number of issued and outstanding shares of stock (including non-voting stock) of the corporation.

Section 1.1362-2(a)(2) provides that a revocation made during the taxable year and before the 16th day of the third month of the taxable year is effective on the first day of the taxable year and revocation made after the 15th day of the third month of the taxable year is effective for the following tax year.

There are no provisions in the Internal Revenue Code authorizing retroactive relief for an untimely revocation of an election to be an S corporation. If you believe that you timely filed a statement revoking the election please supply proof of mailing to the appropriate service center.

We hope that this information is helpful to you. If you have additional questions, please contact

Sincerely,

/s/

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