

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

Number: **200404046**  
Release Date: 01/23/2004  
Index Number: 1362.01-03

Person To Contact:

Telephone Number:

Refer Reply To:

CC:PSI:B02 – PLR-143540-03

Date:

October 15, 2003

X =

A =

Date 1 =

Dear

This letter responds to a letter dated July 15, 2003, submitted on behalf of X, by X's authorized representative, requesting a ruling under § 1362(b)(5) of the Internal Revenue Code.

The information submitted states that X was incorporated on Date 1. A, the president of X, represents that the shareholders of X intended for X to be an S corporation. X's corporate minutes document this intent. However, no Form 2553, Election by a Small Business Corporation, was timely filed for X for Date 1.

Section 1362(b)(5) of the Code provides that if -- (A) an election under § 1362(a) is made for any taxable year after the date prescribed by § 1362(b) for making such election for such taxable year or no such election is made for any taxable year, and (B) the Secretary determines that there was reasonable cause for the failure to timely make such election, the Secretary may treat such an election as timely made for such taxable year.

Based solely on the facts and the representations submitted, we conclude that X has established reasonable cause for failing to make a timely election to be an S corporation effective Date 1. Accordingly, provided that X makes an election to be an S corporation by filing a completed Form 2553 with the appropriate service center effective Date 1 within 60 days following the date of this letter, then such election will be treated as timely made for Date 1. A copy of this letter should be attached to the Form 2553.

Except as specifically set forth above, no opinion is expressed concerning the federal tax consequences of the facts described above under any other provision of the Code, including whether X was or is a small business corporation under § 1361(b) of the Code.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely yours,

Audrey W. Ellis  
Reviewer, Branch 2  
Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures: 2  
Copy of this letter  
Copy for § 6110 purposes