

Keep in mind

Payments to shareholder-employees for services rendered:

- You must determine a reasonable salary when a shareholder-employee of an S corporation provides services to the corporation.
- Payments to a shareholder-employee for services provided to an S corporation are wages and are subject to employment taxes.
- We may re-characterize distributions paid to a shareholder as salary if the distribution was paid in lieu of reasonable compensation (Revenue Ruling 74-44).
- You should inform shareholders of their need to track stock and debt basis.
- Please remind the shareholder of this requirement.

What you need to do

Review this notice to understand some of your obligations and responsibilities as an S corporation.
You don't need to take any action.

We've accepted your S Corporation election.
As a result, your tax year will end in December,
and you will be treated as an S Corporation
starting May 1, 2023.

You will be treated as an S Corporation starting May 1, 2023

We've accepted your S Corporation election

146168

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EBOON INITIATIVE GROUP

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Phone 800-829-0115
To contact us

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Notice

CP261

Notice date

October 23, 2023

Employee ID number

92-3383685

To contact us

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Internal Revenue Service
Ogden, UT 84201-0038



Department of the Treasury