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:B02 PLR-150176-12

Date:

December 03, 2012

Legend

X =

State =

D1 =

Dear :

This responds to a letter dated November 19, 2012 submitted on behalf of \underline{X} by \underline{X} 's authorized representative, requesting a ruling under § 1362(b)(5) of the Internal Revenue Code.

The information submitted states that \underline{X} was incorporated in \underline{State} on $\underline{D1}$. \underline{X} 's shareholders intended that \underline{X} elect S corporation treatment effective $\underline{D1}$; however, a Form 2553, Election by a Small Business Corporation, was not timely filed for \underline{X} .

Section 1362(a) provides that a small business corporation may elect to be an S corporation.

Section 1362(b) provides the rule on when an S election will be effective. Generally, if an S election is made within the first two and one-half months of a corporation's taxable year, then the corporation will be treated as an S corporation for the year in which the election is made. Section 1362(b)(3) provides that if an S election is made after the first two and one-half months of a corporation's taxable year, then the corporation will not be treated as an S corporation until the taxable year after the year in which the S election is made.

Section 1362(b)(5) provides that if (1) an election under § 1362(a) is made for any taxable year after the date prescribed by § 1362(b) for making the election for the taxable year or no § 1362(a) election is made for any taxable year, and (2) the

Secretary determines that there was reasonable cause for the failure to timely make the election, then the Secretary may treat the election as timely made for such taxable year and § 1362(b)(3) shall not apply.

Based solely on the facts and the representations submitted, we conclude that \underline{X} has established reasonable cause for failing to make a timely election to be an S corporation effective $\underline{D1}$. Accordingly, provided that \underline{X} makes an election to be an S corporation by filing a completed Form 2553 with the appropriate service center effective $\underline{D1}$ within 120 days following the date of this letter, then such election will be treated as timely made for \underline{X} 's taxable year beginning $\underline{D1}$. A copy of this letter should be attached to the Form 2553.

Except as specifically set forth above, no opinion is expressed or implied as to the federal income tax consequences of the transaction described above under any other provision of the Code. Specifically, no opinion is expressed concerning whether \underline{X} is, in fact, an S corporation for federal tax purposes.

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.

Pursuant to the power of attorney on file with this office, a copy of this letter is being sent to \underline{X} 's authorized representative.

Sincerely,

Bradford R. Poston Senior Counsel, Branch 2 (Passthroughs & Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purposes