

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

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Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PT&E:B01

PLR-105306-25

Date:

April 07, 2025

LEGEND

X =
State =
Date =

Dear :

This responds to a letter dated September 23, 2024, submitted on behalf of X, by X's authorized representative, requesting relief to file a late S corporation election under § 1362(b)(5) of the Internal Revenue Code.

FACTS

According to the information submitted, X was incorporated under the laws of State on Date. X was eligible to elect S corporation treatment effective Date; however, X inadvertently failed to timely file Form 2553, Election by a Small Business Corporation. Since Date, X has filed tax returns consistent with S corporation treatment.

LAW AND ANALYSIS

Section 1361(a) provides that the term "S corporation" means, with respect to any taxable year, a small business corporation for which an election under § 1362(a) is in effect for such year.

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

Section 1362(b)(1) provides that an election under § 1362(a) may be made by a small business corporation for any taxable year (A) at any time during the preceding taxable year, or (B) at any time during the taxable year and on or before the 15th of the third month of the taxable year.

Section 1362(b)(3) provides that if a small business corporation makes an election under § 1362(a) for any taxable year, and such election is made after the 15th day of the third month of the taxable year and on or before the 15th day of the third month of the following taxable year, then such election will be treated as made for the following year.

Section 1362(b)(5) 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.

CONCLUSION

Based solely upon the facts submitted and representations made, we conclude that X has established reasonable cause for not making a timely S election and is eligible for relief under § 1362(b)(5). Accordingly, X's S corporation election will be treated as timely made for its taxable year beginning on Date. This ruling is contingent on X filing Form 2553, Election by a Small Business Corporation, with an effective date of Date, with the appropriate Service Center within 120 days from the date of this ruling. A copy of this letter should be attached to the Form 2553 filed with the Service Center.

Except as specifically set forth above, we express or imply no opinion concerning the federal tax consequences of the facts described above under any other provision of the Code. Specifically, we express or imply no opinion concerning whether X otherwise qualifies as an S corporation for federal tax purposes.

The ruling contained in this letter is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the ruling request, it is subject to verification on examination.

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.

Sincerely,

/s/

Christiaan T. Cleary
Senior Technician Reviewer, Branch 1
Office of Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

Enclosure:

Copy of this letter for section 6110 purposes

cc: