

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:B01 –GENIN-136059-08

Date:

JANUARY 9, 2009

Legend:

Taxpayer =

Dear :

This letter responds to your letter, dated January 14, 2008, requesting permission to rescind the revocation of Taxpayer's S corporation. Based on the correspondence you included, the revocation of the S election was made on March 15, 2007, effective January 1, 2007.

Section 1.1362-6(a)(4) generally provides that to rescind a revocation, the corporation files a statement that the corporation rescinds the revocation made under section 1632(d)(1). The statement must be filed with the service center where the revocation was properly filed. A rescission may be made only with the consent (in the manner required under paragraph (b)(1) of this section) of each person who consented to the revocation and of each person who became a shareholder of the corporation within the period beginning on the first day after the date the revocation was made and ending on the date on which the rescission is made. If the rescission statement is filed before the revocation becomes effective and is filed with the proper service center, the rescission is effective on the date it is so filed. Thus, under section 1.1362-6(a)(4), a rescission of an S revocation is permissible only before an election takes effect.

Section 1362(g) of the Internal Revenue Code generally provides that absent the Commissioner's consent, an S corporation whose election has terminated (or successor corporation) may not make a new election under section 1362(a) for five taxable years. See also §1.1362-5 of the Income Tax Regulations. The exclusive manner for obtaining the required consent is through receiving a favorable private letter ruling from the

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Service. The procedures for obtaining a private letter ruling are outlined in Revenue Procedure 2008-1, along with the schedule of fees and a sample letter ruling. Therefore, we are unable to grant your request at this time.

This letter implies no opinion concerning any other federal tax issues in connection with the election to rescind an S corporation election. We appreciate this opportunity to provide you with assistance. Please keep a copy of this letter for your records.

If you have further questions concerning any matter addressed in this letter, please contact us at ( ) (not a toll free number).

Sincerely,

*Dianna Miosi*

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