

LAW OFFICES of

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APRIL 08 Notes

We have successfully implemented our on-line appointment sign-up system.

At the bottom of the first page of our website, Ellysonlaw.com, there is a link to the registration calendar. If you are using it for the first time, you simply click on "Register" and you will have your option of three calendars: one for morning meetings, one for afternoon, and one for phone meetings. You can select your own password so that you can log in anytime to make a meeting. Once you choose a meeting time, we will receive an email from the system telling us about the meeting. All we have to do is to click on the email to put the meeting on our Outlook calendar. The system is really pretty slick, and should save a lot of time trying to reach us by phone (However, we will still miss Pat's personal touch.)

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I received a note from **Chris O'Keefe CPA** the other day calling my attention to the fact that the **IRS** has a new form 2553 out (this is for electing to become taxed as a subchapter S corporation). On the form there is a section which says something like: If you are filing this form along with your tax return (the 1120S for S corporations), write down the reason you did not file this form with 75 days of starting your business as normally required (and we will consider whether to grant you the S election.)

Although it has recently been the case that the IRS will consider a reasonable excuse for filing the 2553 late: "my accountant or lawyer missed the deadline"; "I didn't know I had an extra form to fill out"; or, what happened to me once: my client told me that his accountant told him that he should be taxed as an S corporation, and I said "Sounds good to me." A year later the client found out that he was not registered as an S corporation. He thought that I was going to do it, and I thought the accountant was going to do the filing. I lost the client, but you can plainly see it was not my fault (or can you?); however, this was the beginning of my sending all of the forms to clients myself.

The point of all of this is that it seems to me that the IRS is inviting us to make our excuses when we file our returns – after the first year of business. This is evidence to me of a kinder, gentler IRS and I encourage us to do exactly what they suggest: file your late 2553 when you file your tax return for the company and not before. The service receives a great number of 1120S tax returns, and I will bet you will get a better result with an "I forgot" if your excuse is one of many.