Corp X, an S corporation, owned 100% of Corp Y, a QSub. Corp X merges into Corp Y under state law, causing the QSub election for Y to terminate, and Corp Y survives the merger. The formation of the new corporation, Y, and the merger of X into Y can qualify as a reorganization described in section 368(a)(1)(F) if the transaction otherwise satisfies the requirements of that section. Rev. Rul. 64-250 holds that an "F" reorganization does not terminate the "S" election under section 1362 (formerly section 1372).