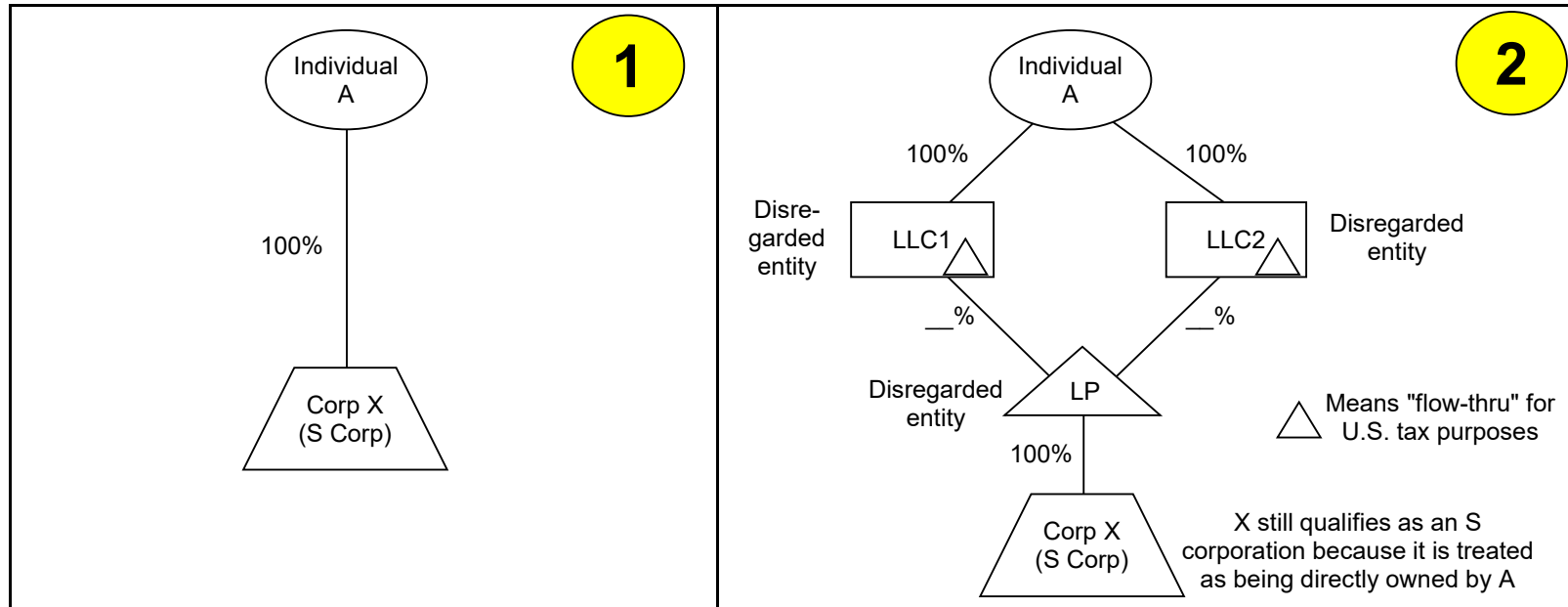


S Corp Owned Thru Disregarded LLCs and Disregarded LP

Initial Structure

Proposed Structure



X was incorporated under State law on date1. A, the sole shareholder of X, filed the appropriate consent and X elected to be taxed as an S corporation effective date2. A plans to form two State limited liability companies (“LLCs”), in which A will be the sole member. The two LLCs will form a State limited partnership (“LP”), in which the two LLCs are the only members. A, the sole shareholder of X and sole member of the LLCs, plans to contribute all of his shares of X’s stock to the LLCs. The LLCs will then contribute the stock to the LP.

The PLR concludes that LP has a single owner for federal tax purposes, and that LP is an entity that is disregarded as separate from its owner. In addition, because A remains the sole owner of X for federal tax purposes, the transfers of X stock to the disregarded LLCs and to the disregarded LP are disregarded for federal tax purposes and do not terminate X’s S election.

[HUNDREDS of additional charts at www.andrewmitchel.com](http://www.andrewmitchel.com)