SUBCHAPTER S CORPORATIONS

	NA	L	S	DATE	INITIALS
77. Determine if D owned stock in a **Subchapter S corporation** (see Item 10.80 of MIL). If so, do the following: a. See Special Instruction 70—Subchapter S Corporations.					
b. Determine if stock was community property or D's separate property.					
c. Consider transferring community interest to D's surviving spouse.					
d. Enter date of fiscal year end for Subchapter S Corporation as Item 10.12 of MIL and as Item 57 of SDL and complete Item 58 of SDL.					
e. Review shareholder agreements to determine if there is an obligation to continue the election.					
f. Determine whether to continue or revoke the election. Complete Item 10.81 of MIL.					
g. If the election is to be revoked by action of a majority interest of the shareholders and D's shares are to be included in the revocation, do the following: (1) If IA, TBA, IBA, ADE, AWA, RDA, AP, or TDA, for each corporation for which the election will be terminated, arrange for executor or administrator to join in the revocation. Place copies in file folder entitled "Securities."					
(2) If MT, SE, or PDH, for each corporation for which the election will be terminated, arrange for signature by person(s) receiving the stock to join in the revocation. Place copies in file folder entitled "Securities."					
h. Determine amount of income, loss, deductions, and credits attributed to D's stock for the period before D's death as prorated on a daily basis and enter as Item 10.82 of MIL. *Note:* These items for the remainder of the corporation's fiscal year will be taxable to D's estate or to the person(s) acquiring D's stock. Any of D's undistributed "previously taxed income" remaining in the corporation at D's death will lose its right to nondividend treatment.					
i. See Special Instruction 40—Section 303 Redemption and determine whether D's estate is eligible under IRC Section 303 for redemption and special treatment.					

	NA	L	S	DATE	INITIALS
j. See Special Instruction 98—Corporate Transparency Act and determine whether a report should be made to Financial Crimes Enforcement Network.					