



Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0038

Notice	CP261
Notice date	March 20, 2023
Employer ID number	92-1558878
To contact us	Phone 800-829-0115

Page 1 of 2

100975.503806.354640.8282 1 AB 0.507 372



ADATABYTE INC
1504 LEMON BALM CT
LAWRENCEVILLE GA 30045-2514

100975

We've accepted your S Corporation election

You will be treated as an S Corporation starting January 3, 2023

We've accepted your S Corporation election. As a result, your tax year will end in December, and you will be treated as an S Corporation starting January 3, 2023.

What you need to do

You don't need to take any action.

Review this notice to understand some of your obligations and responsibilities as an S Corporation.

Keep in mind

Payments to shareholder-employees for services rendered:

- You must determine a reasonable salary when a shareholder-employee of an S corporation provides services to the corporation.
- Payments to a shareholder-employee for services provided to an S corporation are wages and are subject to employment taxes.
- We may re-characterize distributions paid to a shareholder as salary if the distribution was paid in lieu of reasonable compensation (Revenue Ruling 74-44).

You should inform shareholders of their need to track stock and debt basis. A shareholder is responsible for calculating their stock and debt basis in the corporation. Please remind the shareholder of this requirement.

Continued on back...