

Estates Must Now Request Closing Letters from IRS

By: Stephanie L. Moll

In the past, when an estate of a deceased taxpayer filed a Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, the Internal Revenue Service would automatically issue an estate tax closing letter, signifying that the Return had been accepted by the IRS. At that time, the estate could be assured that, unless the estate took an action that re-opened the estate tax return to review, no additional estate tax would be imposed by the IRS.

Recently, a change was made on the IRS website that indicates this procedure has been changed. Per www.irs.gov:

When can I expect the Estate Tax Closing Letter?

For all estate tax returns filed on or after June 1, 2015, estate tax closing letters will be issued only upon request by the taxpayer. Please wait at least four months after filing the return to make the closing letter request to allow time for processing. For questions about estate tax closing letter requests, call (866) 699-4083.

Based on this information, if the executor of an estate desires certainty regarding whether the IRS has accepted the Form 706 as filed, the executor must either request a closing letter from the IRS (at least four months after filing the Form 706) or wait for the three-year statutory period of limitations to pass without notice from the IRS that it is reviewing the return.