Publication 559

Survivors, Executors, and Administrators

For use in preparing

2023 Returns

Volume 4 of 4

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Restored exclusion and GST exemption amounts. If a decedent made a taxable gift during the decedent's lifetime to the decedent's same-sex spouse and that transfer resulted in a reduction of the decedent's available applicable exclusion amount, there is a new procedure allowing the decedent to restore the exclusion that was utilized in the transfer. If a decedent made a taxable gift during the decedent's lifetime to a skip person whose generation assignment is changed as a result of Notice 2017-15, any GST exemption amount allocated to the gift will be deemed void. For more information, see the Instructions for Form 706 and Notice 2017-15, 2017-06 I.R.B. 783.

Gift Tax

The gift tax applies to lifetime transfers of property from one person (the donor) to another person (the donee). A gift is made if tangible or intangible property (including money), the use of property, or the right to receive income from property is given without expecting to receive something of at least equal value in return. If something is sold for less than its full value or if a loan is made without interest or with reduced (less than market rate) interest, a gift may have been made.

The general rule is that any gift is a taxable gift. However, there are many exceptions to this rule.

Generally, the following gifts aren't taxable gifts.

- Gifts, excluding gifts of future interests, that aren't more than the annual exclusion for the calendar year.
- Tuition or medical expenses paid directly to an educational or medical institution for someone else.
- Gifts to your spouse, if your spouse is a U. S. citizen.

- Gifts to a political organization for its use.
- Gifts to certain exempt organizations described in section 501(c)(4), 501(c)(5), and 501(c)(6).
- Gifts to charities.

Annual exclusion. A separate annual exclusion applies to each person to whom a gift is made. The gift tax annual exclusion is subject to cost-of-living increases.

Gift Tax Annual Exclusion

Year(s)	Annual Exclusion
2002 – 2005	$11,000
2006 – 2008	$12,000
2009 – 2012	$13,000
2013 – 2017	$14,000
2018 – 2021	$15,000

2022	$16,000
2023	$17,000

In 2023, generally, gifts valued up to $17,000 per person could have been given to any number of people, and none of the gifts will be taxable. If the decedent's spouse is not a U. S. citizen, the annual exclusion for gifts made to the decedent’s spouse in 2023 is $175,000. However, gifts of future interests can't be excluded under the annual exclusion. A gift of a future interest is a gift that is limited so that its use, possession, or enjoyment will begin at some point in the future. If the decedent was married, both the decedent and spouse could have separately given gifts valued up to $17,000 to the same person without making a taxable gift. If one spouse gave a gift valued at more than the $17,000 exclusion, see *Gift splitting*, later.

Example 1. The decedent gave Madison, a relative, a cash gift of $8,000. It is the decedent’s only gift to Madison in 2023. The gift isn't a taxable gift because it isn't more than the $17,000 annual exclusion.

Example 2. The decedent paid the $17,000 college tuition of a friend directly to the friend’s college. Because the payment qualifies for the educational exclusion, the gift isn't a taxable gift.

Example 3. The decedent gave $27,000 to the decedent’s 25-year-old child. The first $17,000 of the gift isn't subject to the gift tax because of the annual exclusion. The remaining $10,000 is a taxable gift. As explained later under *Applying the applicable credit to gift tax*, the estate may not have to pay the gift tax on the remaining $10,000. However, a gift tax return must be filed.

More information. See Form 709 and its instructions for more information about taxable gifts.

Gift splitting. If the decedent or the decedent's spouse made a gift to a third party, the gift can be considered as made one-half by the decedent and one-half by the decedent's spouse. This is known as gift splitting. Both spouses must be U. S. citizens or residents, must agree to split the gift, and, in the case of a deceased spouse, the personal representative will act on behalf of the decedent. If there is consent to split the gift, both spouses can apply the annual exclusion to one-half of the gift. For gifts made in 2023, gift splitting allows married couples to give up to $34,000 to a person without making a taxable gift. If a gift is split, both spouses must file a gift tax return to show an agreement to use gift splitting. Form 709 must be filed even if half of the split gift is less than the annual exclusion.

Example. Jaden and Jaden's spouse, Sammy, agreed to split the gifts that they made during 2023. Jaden's sibling's child, Morgan, received $21,000 from Jaden. Sammy's sibling's child, Jo, received $18,000 from Sammy. Although each gift is more than the annual exclusion ($17,000), by gift splitting, they made these gifts without making a taxable gift. Jaden's gift to Morgan is treated as one-half ($10,500) from Jaden and one-half ($10,500) from Sammy. Sammy's gift to Jo is also treated as one-half ($9,000) from Sammy and one-half ($9,000) from Jaden. In each case, because one-half of the split gift isn't more than the annual exclusion, it isn't a taxable gift. However, each of them must file a gift tax return.

Applying the applicable credit to gift tax. After you determine which gifts are taxable, figure the amount of gift tax on the total taxable gifts and apply the applicable credit for the year.

Example. In 2023, the decedent gave the following gifts and amounts to the following people.

- Morgan, a relative, a cash gift of $8,000. It is the decedent’s only gift to Morgan this year.
- Danny, a friend, the decedent paid the $17,000 college tuition.
- Avery, 25-year-old child, $27,000.
- Kai, 27-year-old child, $27,000.

The decedent never gave a taxable gift before and doesn't have any DSUE. Apply the exceptions to the gift tax and the applicable credit as follows.

1. Apply the educational exclusion. Payment of tuition expenses isn't subject to the gift tax. Therefore, the gift to Danny isn't a taxable gift.
2. Apply the annual exclusion. The first $17,000 given isn't a taxable gift. Therefore, the $8,000 gift to Morgan, the first $17,000 of the gift to Avery,

and the first $17,000 of the gift to Kai aren't taxable gifts.

3. Apply the applicable credit. The gift tax on $20,000

($10,000 remaining from the gift to Avery plus $10,000 remaining from the gift to Kai) is $3,800. Subtract the $3,800 from the applicable credit of $5,113,800 for 2023. The applicable credit that can be used against the gift or estate tax in a later year is $5,110,000.

As the personal representative of the decedent's estate, you don't have to pay any gift tax for 2023. However, you do have to file Form 709.

For more information, see the Table for Computing Gift Tax in the Instructions for Form 709.

Filing a gift tax return. Generally, a gift tax return must be filed if any of the following apply.

- Gifts were given to at least one person (other than the decedent’s spouse) that are more than the annual exclusion for the year.
- The decedent and the decedent’s spouse split a gift.
- The decedent gave someone (other than decedent’s spouse) a gift of a future interest that the recipient can't actually possess, enjoy, or receive income from until some time in the future.
- The decedent gave the decedent’s spouse an interest in property that will be ended by some future event.

A gift tax return doesn't have to be filed to report gifts to (or for the use of) political organizations or gifts made by paying someone’s tuition or medical expenses.

The following deductible gifts made to charities also don't need to be reported.

- An entire interest in property, if no other interest has been transferred for less than adequate consideration or for other than a charitable use.
- A qualified conservation contribution that is a perpetual restriction on the use of real property.

More information. If you think you need to file a gift tax return, see Form 709 and its instructions for more information. You can get publications and forms at *IRS.gov/ Forms*. You may want to speak with a qualified tax professional to receive help with gift tax questions.

Estate Tax

Estate tax may apply to the decedent's taxable estate at death. The taxable estate is the gross estate less allowable deductions.

Gross estate. The gross estate includes the value of all property the decedent owns partially or in full at the time of death. Your gross estate also includes the following. • Life insurance proceeds payable to the estate or, if the decedent owned the policy, to the decedent's heirs.

- The value of certain annuities payable to the estate or the decedent's heirs.
- The value of certain property the decedent transferred within 3 years before death.

Taxable estate. The allowable deductions used in determining the taxable estate include:

- Funeral expenses paid out of the estate,
- Debts the decedent owed at the time of death,
- The marital deduction (generally, the value of the property that passes from the estate to the surviving spouse),

- The charitable deduction (generally, the value of the property that passes from the decedent's estate to the United States, any state, a political subdivision of a state, the District of Columbia, or a qualifying charity for exclusively charitable purposes), and
- The state death tax deduction (generally, any estate, inheritance, legacy, or succession taxes paid as the result of the decedent’s death to any state or the District of Columbia).

More information. For more information on what is included in the gross estate and the allowable deductions, see Form 706 and Form 706-NA and their instructions.

Applying the applicable credit to estate tax. Basically, any applicable credit not used to eliminate gift tax can be used to eliminate or reduce estate tax. However, to determine the applicable credit available for use against the estate tax, you must complete Form 706.

Filing an estate tax return. An estate tax return must be filed if the gross estate, plus any adjusted taxable gifts and specific gift tax exemption, is more than the basic exclusion amount. The basic exclusion amount is generally equal to the filing requirement. For 2023, the basic exclusion amount is $12,920,000.

Note. The federal estate tax return doesn’t generally need to be filed unless the total value of lifetime transfers and the estate is worth more than the basic exclusion amount for the year of death. However, a complete and timely filed return is required if a deceased spouse’s estate elects portability of any unused exclusion amount for use by the surviving spouse.

Adjusted taxable gifts is the total of the taxable gifts made by the decedent after 1976 that aren't included in the gross estate.

Note. The *specific gift tax exemption* applies only to gifts made after September 8, 1976, and before January 1, 1977.

The *applicable exclusion amount* is the total amount exempted from gift and/or estate tax. For estates of decedents dying after December 31, 2010, the applicable exclusion amount equals the basic exclusion amount plus any DSUE amount. The DSUE amount is the remaining applicable exclusion amount from the estate of a predeceased spouse who died after December 31, 2010. The DSUE amount is only available where an election was made on the Form 706 filed by the deceased spouse's estate.

Filing requirement. The following table lists the filing requirements for estates of decedents dying after 2011.

Basic Exclusion Amount

Year of Death	File return if estate's value is more than:
2011	$5,000,000
2012	$5,120,000
2013	$5,250,000
2014	$5,340,000
2015	$5,430,000
2016	$5,450,000
2017	$5,490,000
2018	$11,180,000

2019	$11,400,000
2020	$11,580,000
2021	$11,700,000
2022	$12,060,000
2023*	$12,920,000
* See IRS.gov for inflation adjusted amount.	

More information. If you think the decedent will have an estate on which tax must be paid, or if the estate will have to file an estate tax return even if no tax will be due, see Form 706, Form 706-NA, and the forms' instructions for more information. You can get publications and forms at *IRS.gov/Forms*. The estate's personal representative may want to speak with a qualified tax professional to receive help with estate tax questions.

Consistent Basis Reporting Requirement

Certain executors are required to report the estate tax value of property passing from a decedent to the IRS and to the recipient of the property (*beneficiary*). The purpose of the requirement is to ensure that the appropriate value (or *basis*) is used to calculate the tax due from the sale or disposal of property received from an estate.

An executor of an estate (or other person) required to file an estate tax return after July 31, 2015, must provide a Form 8971 with attached Schedules A to the IRS, and a copy of the beneficiary's Schedule A to each beneficiary who receives or is to receive property from the estate. The Schedule A must show the final estate tax value of the property received or to be received by the beneficiary. An executor (or other person) who files an estate tax return only to make an election regarding the GST tax or portability of the DSUE is not required to provide Form 8971 and Schedule A. The executor is required to file Form 8971 and all Schedules A with the IRS and provide the beneficiary with their Schedule A within 30 days of the earlier of the due date (including extensions) or filing of Form 706.

If Form 8971, Schedule A, Part 2, column C, received by the beneficiary indicates that the property increases the estate tax liability, the beneficiary must use a basis consistent with the final estate tax value of the property to determine the beneficiary's basis in that property. Calculate a basis consistent with the final estate tax value by starting with the reported value and then making any allowed adjustments.

For more information, see sections 1014(f) and 6035, the *Instructions for Form 8971 and Schedule A*, and *Column (e)—Cost or Other Basis* in the *Instructions for Form 8949*. Also, see the 2023 Instructions for Schedule D (Form 1041).

Generation-Skipping Transfer Tax

The generation-skipping transfer (GST) tax may apply to gifts during the decedent's life or transfers occurring at the decedent's death, called *bequests*, made to skip persons. A *skip person* is a person who belongs to a generation that is two or more generations below the generation of the donor. For instance, the decedent's grandchild will generally be a skip person to the decedent and the decedent’s spouse. The GST tax is figured on the amount of the gift or bequest transferred to a skip person, after subtracting any GST exemption allocated to the gift or bequest at the maximum gift and estate tax rates. Each individual has a GST exemption equal to the basic exclusion amount, as indexed for inflation, for the year the gift or bequest was made. GSTs have three forms:

direct skip, taxable distribution, and taxable termination.

- A *direct skip* is a transfer made during the decedent's life or occurring at death that is:
  1. Subject to the gift or estate tax,
  2. Of an interest in property, and
  3. Made to a skip person.
- A *taxable distribution* is any distribution from a trust to a skip person that isn't a direct skip or a taxable termination.
- A *taxable termination* is the end of a trust’s interest in property where the property interest will be transferred to a skip person.

More information. If you think the decedent has made a gift or bequest on which GST tax must be paid, see Form 709, Form 706, Form 706-NA, and the forms’ instructions for more information. You can get publications and forms at *IRS.gov/Forms*. The estate’s personal representative may want to speak with a qualified tax professional to receive help with GST questions.

Example

The following is an example of a typical situation.

On April 9, 2023, your father, Jo Smith, died at the age of 72. Your father had not resided in a community property state and the will named you to serve as executor (personal representative). Except for specific bequests to your mother, Angel, of your parents' home and your father's automobile, and a bequest of $5,000 to the church your father attended, your father's will named your mother and brother, Jamie, as beneficiaries.

After the court has approved your appointment as the executor, you should obtain an EIN for the estate. (See *Duties* under *Personal Representatives*, earlier.)

Next, you use Form 56 to notify the IRS that you have been appointed executor of your father's estate.

Assets of the estate. Your father had the following assets when your father died.

- Checking account balance was $2,550 and savings account balance was $53,650.
- Your father inherited the home from your grandparents on March 5, 1980. At that time, it was worth $100,000, but was appraised at the time of your father's death at $500,000. The home was free of existing debts (or mortgages) at the time of your father’s death.
- Your father owned 500 shares of ABC Company stock that cost $10.20 a share in 1984. The stock had a mean selling price (midpoint between highest and lowest selling price) of $25 a share on the date of death. Your father also owned 500 shares of XYZ Company stock that cost

$30 a share in 1989. The stock had a mean selling price on the date of death of $22.

- The appraiser valued your father's automobile at $6,300 and the household effects at $18,500.
- Your father's employer sent a check to your mother for $11,082 ($12,000 − $918 for social security and Medicare taxes), representing unpaid salary and payment for accrued vacation time. The statement that came with the check indicated that no amount was withheld for income tax. The check was made out to the estate, so your mother gave you the check.
- The Easy Life Insurance Company gave your mother a check for $275,000 because your mother was the beneficiary of your father’s life insurance policy.

- Your father was the owner of several series EE U.S. savings bonds on which your father named your mother as co-owner. Your father purchased the bonds during the past several years. The cost of these bonds totaled $2,500. After referring to the appropriate table of redemption values (see *U.S. savings bonds acquired from decedent*, earlier), you determine that interest of $840 had accrued on the bonds at the date of your father's death. You must include the redemption value of these bonds at date of death, $3,340, in your father's gross estate.
- On July 1, 1996, your parents purchased a house for $90,000. They have held the property for rental purposes continuously since its purchase. Your mother paid one-third of the purchase price, or $30,000, and your father paid $60,000. They owned the property, however, as joint

tenants with right of survivorship. An appraiser valued the property at $120,000. You include $60,000, one-half the value, in your father's gross estate because your parents owned the property as joint tenants with right of survivorship and they were the only joint tenants.

Your mother also gave you a Form W-2 that your father's employer had sent. In examining it, you discover that your father had been paid $20,000 in salary between January 1, 2023, and April 9, 2023 (the date of death). The Form W-2 showed wages of $20,000 in box 1 and $845 as federal income tax withheld in box 2. The Form W-2 also indicated social security and Medicare wages of $20,000 in boxes 3 and 5. The estate received a Form 1099-MISC from the employer showing $12,000 in box 3. The estate received a Form 1099-INT showing your father was paid $1,900 interest on the savings account at the First S&L of Juneville in 2023, before the date of death.

Final Return for Decedent—Form 1040 or 1040-SR

From the papers in your father's files, you determine that the $20,000 paid to your father by the employer (as shown in box 1 of the Form W-2), rental income, and interest are the only items of income received between January 1 and the date of your father’s death. You will have to file an income tax return for the period during which your father lived. (You determine that your father timely filed the 2022 income tax return before your father died.) The final return isn't due until April 15, 2024, the same date it would have been due had your father lived during all of 2023.

The check representing unpaid salary and earned but unused vacation time wasn't paid to your father before the date of death, so the

$12,000 isn't reported as income on the final return. It is reported on the income tax return for the estate (Form 1041) for 2023. The only taxable income to be reported for your father will be the $20,000 salary (as shown in box 1 of the Form W-2), the $1,900 interest, and your father’s portion of the rental income that was received in 2023.

Your father was a cash basis taxpayer and didn't report the interest accrued on the series EE U.S. savings bonds on prior tax returns that were filed jointly with your mother. As the personal representative of your father's estate, you choose to report the interest earned on these bonds before your father's death ($840) on the final income tax return.

The rental property was leased the entire year of 2023 for $1,000 per month. This is a net lease through the date of sale. The rental does not rise to the level of a section 162 trade or business. Thus, it doesn’t qualify for the section 199A deduction. Under local law, your parents (as joint tenants) each had a half interest in the income from the property. Your father's will, however, stipulates that the entire rental income is to be paid directly to your mother. None of the rental income will be reported on the income tax return for the estate. Instead, your mother will report all the rental income and expenses on Form 1040 or 1040-SR.

Checking the records and prior tax returns of your parents, you find that they previously elected to use the ADS with the mid-month convention. Under ADS, the rental house is depreciated using the straight line method over a 40-year recovery period. They allocated $15,000 of the cost to the land (which is never depreciable) and $75,000 to the rental house. Salvage value was disregarded for the depreciation computation. Before 2023, $23,359 had been allowed as depreciation. (For information on ADS, see Pub. 946.)

Deductions. During the year, you received a bill from the hospital for $945 and bills from your father's doctors totaling $685. You paid these bills as they were presented. In addition, you find other bills from your father’s doctors totaling $5,302 that your father paid in 2023 and receipts for prescribed drugs purchased totaling $1,724. The funeral home presented you a bill for $6,890 for the expenses of your father's funeral, which you paid.

The medical expenses you paid from the estate's funds ($945 and $685) were for your father's care and were paid within 1 year after the date of death. They won't be used to figure the taxable estate, so you can treat them as having been paid by your father when medical services were received. See *Medical Expenses* under *Final Income Tax Return for Decedent—Form 1040 or 1040-SR*, earlier. However, you can't deduct the funeral expenses either on your father's final return or on the estate's income tax return. They are deductible only on the federal estate tax return (Form 706).

In addition, after going over other receipts and canceled checks for the tax year with your mother, you determine that the following items are deductible on your parents' 2023 income tax return.

Health insurance	$4,250
State income tax paid	$1,491
Real estate tax on home	$7,500
Contributions to church	$4,830

Rental expenses included real estate taxes of $700 and mortgage interest of $410. In addition, insurance premiums of $260 and painting and repair expenses for $350 were paid. These rental expenses totaled $1,720 and are reflected on Schedule E (Form 1040).

Your mother and father owned the property as joint tenants with right of survivorship and they were the only joint tenants, so your mother’s basis in this property upon your father's death is $93,047. This is figured by adding the $60,000 value of the half interest included in your father's gross estate to your mother's $45,000 share of the cost basis and subtracting your mother's $11,953 share of depreciation (including 2023 depreciation for the period before your father's death), as explained next.

For 2023, you must make the following computations to figure the depreciation deduction.

1. For the period before your father's death, depreciate the property using the same method, basis, and life used by your parents in previous years. They used the mid-month convention,

so the amount deductible for $3^1/2$ months is $547. (This brings the total depreciation to $23,906 ($23,359 + $547) at the time of your father's death.)

2. For the period after your father's death, you must make two computations.

   a. Your mother's cost basis ($45,000) minus one-half of the amount allocated to the land ($7,500) is your mother's depreciable basis ($37,500) for half of the property. She continues to use the same life and depreciation method as was originally used for the property. The amount deductible for the remaining $8^1/2$ months is $664.

   b. The other half of the property must be depreciated using a depreciation method that is acceptable for property placed in service in 2023. You chose to use ADS with the mid-month convention. The value included in the estate ($60,000) less the value allocable to the land ($10,000) is the depreciable basis ($50,000) for this half of the property. The amount deductible for this half of the property is $886 ($50,000 × 0.01771). See chapter 4 and Table A-13 in Pub. 946.

Show the total of the amounts in (1) and (2a) above on line 17 of Form 4562, Depreciation and Amortization. Show the amount in (2b) on line 20d. The total depreciation deduction allowed for the year is $2,097.

Filing status. After December 31, 2023, when your mother determines the amount of your mother's income, you and your mother must decide whether you will file a joint return or separate returns for your parents for 2023. Your mother has rental income and $400 of interest income from the savings account at the Mayflower Bank of Juneville, so it appears to be to your mother's advantage to file a joint return.

Tax computation. The refund of tax due is $152. The computation is as follows:

Income:		
Salary (per Form W-2)....	$20,000	
Interest income............	3,140	
Net rental income..........	8,183	
Adjusted gross income................		$31,323
Minus: Itemized deductions...........		24,378
Balance............................		$6,945

Taxable income........................	6,945
Income tax from tax table...........	$693
Minus: Tax withheld...................	$845
Refund of taxes.......................	**$152**

Income Tax Return of an Estate—Form 1041

2023 income tax return. Having determined the tax liability for your father's final return, you now figure the estate's taxable income. You decide to use the calendar year and the cash method of accounting to report the estate's income. This return is also due by April 15, 2024.

In addition to the amount you received from your father's employer for unpaid salary and for vacation pay ($12,000) entered on line 8, you received a dividend check from the XYZ Company on June 16, 2023. The check was for $750 and you enter it on line 2a. The amount is a qualified dividend and you show the allocation to the beneficiaries and the estate on line 2b. The amount allocated to the beneficiary ($179) is based on the distributable dividend income before any deductions. The estate received a Form 1099-INT showing $2,250 interest paid by the bank on the savings account in 2023 after your father died. Show this amount on line 1.

Deductions. In November 2023, you received a bill for the real estate taxes on your parents' home. The bill was for $2,250, which you paid. Include real estate taxes on line 11.

You paid $1,325 for attorney's fees in connection with administration of the estate. This is an expense of administration and is deducted on line 14. If an estate tax return is filed on Form 706, you must, however, file with the return a statement in duplicate that such expense hasn't been claimed as a deduction from the gross estate for figuring the federal estate tax on Form 706, and that all rights to claim that deduction on Form 706 are waived.

Distributions. You made a distribution of $2,000 to your father's brother, Jamie. The distribution was made from current income of the estate under the terms of the will.

The income distribution deduction ($2,000) is figured on Schedule B of Form 1041 and deducted on line 18.

You characterized the $2,000 that is included in income and reported it on Schedule K-1 (Form 1041) as follows:

Step 1 — Allocation of Income & Deductions

Type of Income	Amount	Deductions	Distributable Net Income
Interest (15%)	$ 2,250	($536)	$ 1,714

Dividends (5%)	750	(179)	571
Other Income (80%)	12,000	(2,860)	9,140
Total	**$15,000**	**($3,575)**	**$11,425**

Step 2 — Allocation of Distribution (Report on the Schedule K-1 for Jamie)

Line 1—Interest

$2,000 × (1,714 ÷ 11,425) $300

Line 2b—Total dividends
$2,000 × (571 ÷ 11,425) 100

Line 5—Other income
$2,000 × (9,140 ÷ 11,425) 1,600

Total Distribution **$2,000**

The estate took an income distribution deduction, so you must prepare Schedule I (Form 1041), regardless of whether the estate is liable for the AMT.

The other distribution you made from the assets of the estate in 2023 was the transfer of the automobile to your mother on July 1. This is included in the bequest of property, so it isn't included in computing the distributions of income to the beneficiary. The life insurance proceeds of $275,000 paid directly to your mother by the insurance company aren't an asset of the estate.

Tax computation. The taxable income of the estate for 2023 is $8,825, figured as follows:

Gross income:

Gross income:

Income in respect of a decedent.....	$12,000
Dividends...........................	750

Interest............................		2,250
		$15,000

Minus: Deductions and income distribution

Real estate taxes...........	$2,250	
Attorney's fees.............	1,325	
Exemption....................	600	
Distribution....................	2,000	6,175
Taxable income........................		**$8,825**

The estate had taxable income of $8,825 that included $571 of qualified dividends for the year, which leaves the estate with a tax due of $1,661 for 2023. To figure the amount due, see the Qualified Dividends Tax Worksheet—Schedule G, line 1a, in the *Instructions for Form 1041*.

2024 income tax return for estate. On January 7, 2024, you receive a dividend check from the XYZ Company for $500. You also have interest posted to the savings account in January totaling $350. On January 28, 2024, you make a final accounting to the court and obtain permission to close the estate. In the accounting, you list $1,650 as the balance of the expense of administering the estate.

You advise the court that you plan to pay $5,000 to Hometown Church under the provisions of the will, and that you will distribute the balance of the property to your mother, the remaining beneficiary.

Gross income. After making the distributions already described, you can wind up the affairs of the estate. The gross income of the estate for 2024 is more than $600, so you must file a final income tax return, Form 1041, for 2024 (not shown). The estate's gross income for 2024 is $850 (dividends of $500 and interest of $350).

Deductions. After making the following computations, you determine that none of the distributions made to your mother must be included in your mother's taxable income for 2024.

Gross income for 2024:

Dividends	$500
Interest	350
	$850

Less deductions:

Administration expense	$1,650
Loss	**($800)**

Note that because the contribution of $5,000 to Hometown Church wasn't required under the terms of the will to be paid out of the gross income of the estate, it isn't deductible and wasn't included in the computation.

The estate had no distributable net income in 2024, so none of the distributions made to your mother have to be included in your mother's gross income.

Table A. Checklist of Forms and Due Dates for Executor, Administrator, or Personal Representative

Form No.	Title	Due Date**
SS-4	Application for Employer Identification Number	As soon as possible. The identification number must be included in returns, statements, and other documents.
56	Notice Concerning Fiduciary Relationship	As soon as all necessary information is available.*
706	United States Estate (and Generation-Skipping Transfer) Tax Return	9 months after date of decedent's death.
706-A	United States Additional Estate Tax Return	6 months after cessation or disposition of special-use valuation property.
706-GS(D)	Generation-Skipping Transfer Tax Return for Distributions	Generally, April 15th of the year after the distribution.
706-GS(D-1)	Notification of Distribution From a Generation-Skipping Trust	Generally, April 15th of the year after the distribution.
706-GS(T)	Generation-Skipping Transfer Tax Return for Terminations	Generally, April 15th of the year after the taxable termination.
706-NA	United States Estate (and Generation-Skipping Transfer) Tax Return, Estate of nonresident not a citizen of the United States	9 months after date of decedent's death.
709	United States Gift (and Generation-Skipping Transfer) Tax Return	April 15th of the year after the gift was made.
712	Life Insurance Statement	Part I to be filed with estate tax return.
1040	U.S. Individual Income Tax Return	Generally, April 15th of the year after death.**
1040-SR	U.S. Tax Return for Seniors	Generally, April 15th of the year after death.**
1040-NR	U.S. Nonresident Alien Income Tax Return	See form instructions.
1041	U.S. Income Tax Return for Estates and Trusts	15th day of 4th month after end of estate's tax year.**
1041-T	Allocation of Estimated Tax Payments to Beneficiaries	65th day after end of estate's tax year.
1041-ES	Estimated Income Tax for Estates and Trusts	Generally, April 15th, June 15th, Sept. 15th, and Jan. 15th for calendar-year filers.**
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	March 15th.**
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	March 15th.**
4768	Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes	See form instructions.
4810	Request for Prompt Assessment Under Internal Revenue Code Section 6501(d)	As soon as possible after filing Form 1040 or Form 1041.
4868	Application for Automatic Extension of Time To File U.S. Individual Income Tax Return	April 15th.**
5495	Request for Discharge From Personal Liability Under Internal Revenue Code Section 2204 or 6905	See form instructions.
7004	Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns	15th day of 4th month after end of estate's tax year.**
8300	Report of Cash Payments Over $10,000 Received in a Trade or Business	15th day after the date of the transaction.
8822	Change of Address	As soon as the address is changed.
8822-B	Change of Address or Responsible Party — Business	As soon as the address is changed.
8892	Application for Automatic Extension of Time To File Form 709 and Form 709-NA and/or Payment of Gift/ Generation-Skipping Transfer Tax	April 15th.**

* A personal representative must report the termination of the estate, in writing, to the IRS. Form 56 can be used for this purpose.
** If the due date falls on a Saturday, Sunday, or legal holiday, file on the next business day.

Table B. Worksheet To Reconcile Amounts Reported in Name of Decedent on Information Returns (Forms W-2, 1099-INT, 1099-DIV, etc.)

Keep for Your Records

Name of Decedent	Date of Death	Decedent's Social Security Number		
Name of Personal Representative, Executor, or Administrator		Estate's Employer Identification Number (If Any)		

Source (list each payer)	A. Enter total amount shown on information return	B. Enter part of amount in column A reportable on decedent's final return	C. Amount reportable on estate's or beneficiary's income tax return (column A minus column B)	D. Part of column C that is *income in respect of a decedent*
1. Wages				
2. Interest income				
3. Dividends				
4. State income tax refund				
5. Capital gains				
6. Pension income				
7. Rents, royalties				
8. Taxes withheld*				
9. Other items, such as social security, business and farm income or loss, unemployment compensation, etc.				

* List each withholding agent (employer, etc.).

How To Get Tax Help

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to *IRS.gov* to find resources that can help you right away.

Preparing and filing your tax return. After receiving all your wage and earnings statements (Forms W-2, W-2G, 1099-R, 1099-MISC, 1099-NEC, etc.); unemployment compensation statements (by mail or in a digital format) or other government payment statements (Form 1099-G); and interest, dividend, and retirement statements from banks and investment firms (Forms 1099), you have several options to choose from to prepare and file your tax return. You can prepare the tax return yourself, see if you qualify for free tax preparation, or hire a tax professional to prepare your return.

Free options for tax preparation. Your options for preparing and filing your return online or in your local community, if you qualify, include the following.

- **Free File.** This program lets you prepare and file your federal individual income tax return for free using software or Free File fillable forms. However, state tax preparation may not be available through Free File. Go to *IRS.gov/FreeFile* to see if you qualify for free online federal tax preparation, e-filing, and direct deposit or payment options.
- **VITA.** The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. Go to *IRS.gov/ VITA,* download the free IRS2Go app, or call 800-906-9887 for

information on free tax return preparation.

- **TCE.** The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors. Go to *IRS.gov/TCE* or download the free IRS2Go app for information on free tax return preparation.
- **MilTax.** Members of the U.S. Armed Forces and qualified veterans may use MilTax, a free tax service offered by the Department of Defense through Military OneSource. For more information go to *MilitaryOneSource (MilitaryOneSource.mil/MilTax)*.

Also, the IRS offers Free Fillable Forms, which can be completed online and then e-filed regardless of income.

Using online tools to help prepare your return. Go to *IRS.gov/Tools* for the following.

- The *Earned Income Tax Credit Assistant* (*IRS.gov/ EITCAssistant*) determines if you're eligible for the earned income credit (EIC).
- The *Online EIN Application* (*IRS.gov/EIN*) helps you get an employer identification number (EIN), at no cost.
- The *Tax Withholding Estimator* (*IRS.gov/W4App*) makes it easier for you to estimate the federal income tax you want your employer to withhold from your paycheck. This is tax withholding. See how your withholding affects your refund, take-home pay, or tax due.
- The *First-Time Homebuyer Credit Account Look-up* (*IRS.gov/HomeBuyer*) tool provides information on your repayments and account balance.

- The *Sales Tax Deduction Calculator* (*IRS.gov/ SalesTax*) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040).

Getting answers to your tax questions. On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- *IRS.gov/Help*: A variety of tools to help you get answers to some of the most common tax questions.
- *IRS.gov/ITA*: The Interactive Tax Assistant, a tool that will ask you questions and, based on your input, provide answers on a number of tax topics.
- *IRS.gov/Forms*: Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.

- You may also be able to access tax information in your e-filing software.

Need someone to prepare your tax return? There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don’t have professional credentials. If you choose to have someone prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return,
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).

Although the tax preparer always signs the return, you're ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the *return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to Tips for Choosing a Tax Preparer on IRS.gov.*

Employers can register to use Business Services Online. The Social Security Administration (SSA) offers online service at *SSA.gov/employer* for fast, free, and secure online W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement, and Form W-2c, Corrected Wage and Tax Statement.

IRS Social Media. Go to *IRS.gov/SocialMedia* to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. **Don't** post your social security number (SSN) or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.

- *Youtube.com/irsvideos.*
- *Youtube.com/irsvideosmultilingua*.
- *Youtube.com/irsvideosASL.*

Watching IRS videos. The IRS Video portal *(IRSVideos.gov)* contains video and audio presentations for individuals, small businesses, and tax professionals.

Online tax information in other languages. You can find information on *IRS.gov/MyLanguage* if English isn't your native language.

Free Over-the-Phone Interpreter (OPI) Service. The IRS is committed to serving taxpayers with limited-English proficiency (LEP) by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every VITA/TCE tax return site. The OPI Service is accessible in more than 350 languages.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to *IRS.gov/LetUsHelp*.

Note. Form 9000, Alternative Media Preference, or Form 9000(SP) allows you to elect to receive certain types of written correspondence in the following formats.

- Standard print.
- Large print.
- Braille.
- Audio (MP3).
- Plain Text File (TXT).
- Braille Ready File (BRF).

Disasters. Go to *IRS.gov/DisasterRelief* to review the available disaster tax relief.

Getting tax forms and publications. Go to *IRS.gov/ Forms* to view, download, or print all of the forms, instructions, and publications you may need. Or, you can go to *IRS.gov/OrderForms* to place an order.

Getting tax publications and instructions in eBook format. Download and view most tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at *IRS.gov/eBooks*.

IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven’t been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Access your online account (individual taxpayers only). Go to *IRS.gov/Account* to securely access information about your federal tax account.

- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.
- Make a payment or view 5 years of payment history and any pending or scheduled payments.

- Access your tax records, including key data from your most recent tax return, and transcripts.
- View digital copies of select notices from the IRS.
- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.

Get a transcript of your return. With an online account, you can access a variety of information to help you during the filing season. You can get a transcript, review your most recently filed tax return, and get your adjusted gross income. Create or access your online account at *IRS.gov/ Account*.

Tax Pro Account. This tool lets your tax professional submit an authorization request to access your individual taxpayer IRS online account. For more information, go to *IRS.gov/TaxProAccount*.

Using direct deposit. The safest and easiest way to receive a tax refund is to e-file and choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. If you don't have a bank account, go to *IRS.gov/DirectDeposit* for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud.

Your taxes can be affected if your SSN is used to file a fraudulent return or to claim a refund credit.

- The IRS doesn’t initiate contact with taxpayers by email, text message (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to *IRS.gov/IdentityTheft,* the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you’re a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to taxpayers to help prevent the misuse of their SSNs on fraudulent federal income

tax returns. When you have an IP PIN, it prevents someone else from filing a tax return with your SSN. To learn more, go to *IRS.gov/IPPIN.*

Ways to check on the status of your refund.

- Go to *IRS.gov/Refunds*.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

The IRS can't issue refunds before mid-February for returns that claimed the EIC or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Making a tax payment. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. *Digital assets* are **not** accepted. Go to

IRS.gov/Payments for information on how to make a payment using any of the following options.

- *IRS Direct Pay*: Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- *Debit Card, Credit Card, or Digital Wallet*: Choose an approved payment processor to pay online or by phone.
- *Electronic Funds Withdrawal*: Schedule a payment when filing your federal taxes using tax preparation software or through a tax professional.
- *Electronic Federal Tax Payment System*: Best option for businesses. Enrollment is required.
- *Check or Money Order*: Mail your payment to the address listed on the notice or instructions.

- *Cash*: You may be able to pay your taxes with cash at a participating retail store.
- *Same-Day Wire*: You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note. The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick, easy, and faster than mailing in a check or money order.

What if I can't pay now? Go to *IRS.gov/Payments* for more information about your options.

- Apply for an *online payment agreement (IRS.gov/ OPA)* to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.

- Use the *Offer in Compromise Pre-Qualifier* to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to *IRS.gov/OIC*.

Filing an amended return. Go to *IRS.gov/Form1040X* for information and updates.

Checking the status of your amended return. Go to *IRS.gov/WMAR* to track the status of Form 1040-X amended returns.

CAUTION *It can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing it can take up to 16 weeks.*

Understanding an IRS notice or letter you've received. Go to *IRS.gov/Notices* to find additional information about responding to an IRS notice or letter.

Responding to an IRS notice or letter. You can now upload responses to all notices and letters using the Document Upload Tool. For notices that require additional action, taxpayers will be redirected appropriately on IRS.gov to take further action. To learn more about the tool, go to *IRS.gov/Upload*.

Note. You can use Schedule LEP (Form 1040), Request for Change in Language Preference, to state a preference to receive notices, letters, or other written communications from the IRS in an alternative language. You may not immediately receive written communications in the requested language. The IRS's commitment to LEP taxpayers is part of a multi-year timeline that began providing translations in 2023. You will continue to receive communications, including notices and letters, in English until they are translated to your preferred language.

Contacting your local TAC. Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to *IRS.gov/LetUsHelp* for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment, so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to *IRS.gov/TACLocator* to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

The Taxpayer Advocate Service (TAS) Is Here To Help You What Is TAS?

TAS is an ***independent*** organization within the IRS that helps taxpayers and protects taxpayer rights. TAS strives to ensure that every taxpayer is treated fairly and that you know and understand your rights under the *Taxpayer Bill* *of Rights*.

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to *TaxpayerAdvocate.IRS.gov* to help you understand what these rights means to you and how they apply. These are ***your*** rights. Know them. Use them.

What Can TAS Do for You?

TAS can help you resolve problems that you can’t resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach TAS?

TAS has offices *in every state, the District of Columbia, and Puerto Rico*. To find your advocate's number:

- Go to *TaxpayerAdvocate.IRS.gov/Contact-Us*;
- Download Pub. 1546, The Taxpayer Advocate Service Is Your Voice at the IRS,

available at *IRS.gov/pub/irspdf/p1546.pdf*;

- Call the IRS toll free at 800-TAX-FORM (800-829-3676) to order a copy of Pub. 1546;
- Check your local directory; or
- Call TAS toll free at 877-777-4778.

How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, report it to TAS at *IRS.gov/SAMS*. Be sure to not include any personal taxpayer information.

Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS and TAS. LITCs represent individuals whose income is below a certain level and who need to resolve tax problems with the IRS. LITCs can represent taxpayers in audits, appeals, and tax collection disputes before the IRS and in court. In addition, LITCs can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find an LITC near you, go to the LITC page at *TaxpayerAdvocate.IRS.gov/LITC* or see IRS Pub. 4134, *Low Income Taxpayer Clinic List ,* at *IRS.gov/pub/irs-pdf/ p4134.pdf*.

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To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

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