



IRS

IRS

Nationwide

TaxFORUM

Recent Developments in Estate & Gift





IRS

IRS

Nationwide

TAX FORUM



Estate and Gift Tax Exclusions for Deaths and Gifts After December 31, 2013

Form 706 and Form 709 Basic Exclusions		Form 709 Annual Exclusions
2014	\$5,340,000	\$14,000
2015	\$5,430,000	\$14,000
2016	\$5,450,000	\$14,000



Portability of Deceased Spousal Unused Exclusion (DSUE)

- Portability election must be made on a timely filed (including extensions) Form 706
- Election is irrevocable after the due date
- Executor can make election or opt out
- Compute DSUE amount on Form 706





Portability of Deceased Spousal Unused Exclusion (DSUE)

- Final regulations effective June 12, 2015
- At IRS.gov, use keyword “TD 9725”
- These regulations supersede previously issued temporary and proposed versions





Form 706 - Estate Tax Return

IRS

Nationwide

TaxFORUM

Form **706**

(Rev. August 2013)

Department of the Treasury
Internal Revenue Service

United States Estate (and Generation-Skipping Transfer) Tax Return

OMB No. 1545-0015

▶ Estate of a citizen or resident of the United States (see instructions). To be filed for decedents dying after December 31, 2012.

▶ Information about Form 706 and its separate instructions is at www.irs.gov/form706.

Executor	1a	Decedent's first name and middle initial (and maiden name, if any)	1b	Decedent's last name	2	Decedent's social security no.
	3a	City, town, or post office; county; state or province; country; and ZIP or foreign postal code.	3b	Year domicile established	4	Date of birth
			5	Date of death	6b	
			Executor's address (number and street including apartment or suite no.; city, town, or post office; state or province; country; and ZIP or foreign postal code) and			

▶ and attach a certified copy of the will. 9 If you extended the time to file this Form 706, check here ▶

11 If you are estimating the value of assets included in the gross estate on line 1 pursuant to the special rule of Reg. section 20.2010-2T(a) (7)(ii), check here ▶





Deceased Spousal Unused Exclusion (DSUE)

IRS Nationwide **TAX FORUM**

Part 6 – Portability of Deceased Spousal Unused Exclusion (DSUE)

Portability Election

A decedent with a surviving spouse elects portability of the deceased spousal unused exclusion (DSUE) amount, if any, by completing and timely-filing this return. No further action is required to elect portability of the DSUE amount to allow the surviving spouse to use the decedent's DSUE amount.

Section A. Opting Out of Portability

The estate of a decedent with a surviving spouse may opt out of electing portability of the DSUE amount. Check here and do not complete Sections B and C of Part 6 only if the estate opts **NOT** to elect portability of the DSUE amount.

Section B. QDOT

Are any assets of the estate being transferred to a qualified domestic trust (QDOT)?

Yes	No

If "Yes," the DSUE amount portable to a surviving spouse (calculated in Section C, below) is preliminary and shall be redetermined at the time of the final distribution or other taxable event imposing estate tax under section 2056A. See instructions for more details.

Section C. DSUE Amount Portable to the Surviving Spouse (To be completed by the estate of a decedent making a portability election.)

Complete the following calculation to determine the DSUE amount that can be transferred to the surviving spouse.

1	Enter the amount from line 9c, Part 2 – Tax Computation	1		
2	Reserved	2		
3	Enter the value of the cumulative lifetime gifts on which tax was paid or payable (see instructions)	3		
4	Add lines 1 and 3	4		
5	Enter amount from line 10, Part 2 – Tax Computation	5		
6	Divide amount on line 5 by 40% (0.40) (do not enter less than zero)	6		
7	Subtract line 6 from line 4	7		
8	Enter the amount from line 5, Part 2 – Tax Computation	8		
9	Subtract line 8 from line 7 (do not enter less than zero)	9		
10	DSUE amount portable to surviving spouse (Enter lesser of line 9 or line 9a, Part 2 – Tax Computation)	10		





Form 709 – Gift Tax Return

IRS Nationwide

TAXFORUM

Form 709		United States Gift (and Generation-Skipping Transfer) Tax Return		OMB No. 1545-0020		
Department of the Treasury Internal Revenue Service		▶ Information about Form 709 and its separate instructions is at www.irs.gov/form709 . (For gifts made during calendar year 2015) ▶ See instructions.		2015		
1 Donor's first name and middle initial		2 Donor's last name		3 Donor's social security number		
4 Address (number, street, and apartment number)				5 Legal residence (domicile)		
6 City or town, state or province, country, and ZIP or foreign postal code				7 Citizenship (see instructions)		
General Information	8 If the donor died during the year, check here <input type="checkbox"/> and enter date of death _____, _____.				Yes	No
	9 If you extended the time to file this Form 709, check here <input type="checkbox"/>					
	10 Enter the total number of donees listed on Schedule A. Count each person only once ▶ _____					
	11a Have you (the donor) previously filed a Form 709 (or 709-A) for any other year? If "No," skip line 11b					
	b Has your address changed since you last filed Form 709 (or 709-A)?					
12 Gifts by husband or wife to third parties. Do you consent to have the gifts (including generation-skipping transfers) made by you and by your spouse to third parties during the calendar year considered as made one-half by each of you? (see						

- Gift Tax annual exclusion is \$14,000 per donee for tax years 2014 – 2016
- Spouses may gift \$28,000 to each donee
- Must apply DSUE amount to taxable gifts





IRS

Form 709 – Schedule C

SCHEDULE C Deceased Spousal Unused Exclusion (DSUE) Amount

Provide the following information to determine the DSUE amount and applicable credit received from prior spouses. Complete Schedule A before beginning Schedule C.

A Name of Deceased Spouse (dates of death after December 31, 2010 only)	B Date of Death	C Portability Election Made?		D If "Yes," DSUE Amount Received from Spouse	E DSUE Amount Applied by Donor to Lifetime Gifts (list current and prior gifts)	F Date of Gift(s) (enter as mm/dd/yy for Part 1 and as yyyy for Part 2)
		Yes	No			

Part 1 – DSUE RECEIVED FROM LAST DECEASED SPOUSE

--	--	--	--	--	--	--

Part 2 – DSUE RECEIVED FROM PREDECEASED SPOUSE(S)

IRS
Nationwide
TAX FORUM





Get Gift Tax Account Information For Unknown Years

- If tax periods for filed Forms 709 are unknown:
 - Written request may be made
 - Request the range of unknown years
 - Use page 2 of Form 4506-T for correct IRS address
 - No fee applies
- Once specific years are known, use Form 4506-T to request account transcripts for each tax period, or
- Form 4506 to request a copy of a specific gift tax return





IRS

IRS

Nationwide

TaxFORUM

Get Gift Tax Account Information Using Form 4506-T

- Use Form 4506-T to request account transcripts for tax periods where Forms 709 are known to have been filed
- Check the box at Line 6b and list specific years on Line 9
- Use “Chart for all other transcripts” on Page 2 to mail or fax to correct IRS office





IRS

IRS

Nationwide

TaxFORUM

Get a Copy of a Filed Form 709 Using Form 4506

- Use Form 4506 to request a copy of a specific previously filed tax return with all attachments
- \$50 fee per tax return applies
- Follow instructions for Form 4506 closely





IRS

IRS

Nationwide

TaxFORUM

Marital Deduction for Same-Sex Married Couples

- Unlimited marital deduction for same-sex married couples on estate & gift returns
- Revenue Ruling 2013-17
- Portability Elections
- May amend returns if within statute
- Gift-splitting





IRS

IRS

Nationwide

TAX FORUM

Consistency of Basis Requirement

New law effective July 31, 2015, requires estates must report:

- To both the IRS and beneficiaries receiving property from the estate,
- Using Form 8971 and Schedule A of that form,
- The estate tax value of each asset included in the gross estate
- Within 30 days of the due date or actual filing date of Form 706, whichever is earlier





Estate Tax Closing Letters

- Estates that filed before January 1, 2015, will receive a closing letter
- The IRS has changed its policy on the issuance of closing letters for estate tax returns filed after January 1, 2015
- At IRS.gov, use keyword search “frequently asked questions on estate tax”





Estate Tax Closing Letter, Estates Filed on or after June 1, 2015

- Closing letters will be issued only upon request by the taxpayer
- To request a closing letter, call 866-699-4083
 - See IRS.gov for required information
- The closing letter will be prepared and issued to the executor at the address of record

IRS
Nationwide
TAXFORUM





IRS

IRS

Nationwide

TAXFORUM

Is There an Alternative to a Closing Letter?

- Yes!
- Account transcripts may be a good substitute for the estate tax closing letter
- On IRS.gov, use:
 - Transcript Delivery System (for registered tax professionals), or
 - Form 4506-T (authorized representatives)





Online Transcripts at IRS.gov

- Specific instructions are available for requesting Online Transcripts using TDS or Hardcopy Transcripts using Form 4506-T

Search Results

alternative to closing letter x Q Advanced

Sort by: Relevance | Date

Frequently Asked Questions on Estate Taxes
www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Frequently-Asked-Questions-on-Estate-Taxes - December 04, 2015

... For all estate tax returns filed on or after June 1, 2015, estate tax closing letters will be ... **Is there an alternative to the Estate Tax Closing Letter?** ...

IRS Nationwide **TaxFORUM**





How to Use the Resulting Transcript

- Following a successful request, an **Account Transcript** will display on the screen
- At the **Transactions** section, **Code 421** indicates
 - **Accepted as filed, or**
 - **The examination is complete**
- The transcript may be printed for your records





IRS.gov Tax Help

- Visit IRS.gov and type keywords “estate and gift” to find out:
 - What’s New
 - FAQs
 - Pub 559, Survivors, Executors and Administrators
 - Filing Information
- For questions about the status of return, estate tax closing letters, return accounts, lien discharges, and extensions only, call:

866-699-4083

IRS
Nationwide
TAX FORUM





Hot Topics on IRS.gov

Search Word(s)

IRS Future State

future state

Tax scams/consumer alerts

scams

Annual Filing Season Program

filing season program

Continuing education for tax pros

tax pros

E-Services – online tax tools

eservice

Identity theft

ID theft

Practitioner events on IRS.gov

practitioner events

Affordable Care Act

ACA

Taxpayer Bill of Rights

taxpayer rights

IRS Tax Calendar

tax calendar

IRS
Nationwide
TAX FORUM

