

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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In Re:

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CC:PSI:4  
PLR-145126-13  
Date: APRIL 15, 2014

**LEGEND:**

Decedent =  
Executors =

Accountants =

Attorney =  
Date 1 =  
Date 2 =  
Date 3 =  
Date 4 =

Dear :

This letter responds to your authorized representative's letter dated March 20, 2014, and other correspondence requesting an extension of time under § 301.9100 of the Procedure and Administration Regulations to make an alternate valuation election under § 2032 of the Internal Revenue Code.

The facts and representations are as follows. Decedent died on Date 1. The Executors of Decedent's estate consulted with Accountants to prepare Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return. A Form 706 was filed on Date 2, a date within one year after the due date. Accountants failed to make the election for alternate valuation under § 2032 on the Form 706, and they did not advise the Executors of the availability of the election for alternate valuation. On Date 3, Accountants told the Executors that the Form 706 had been improperly completed and that the Executors should retain legal counsel to represent the estate. When the Executors consulted Attorney, it was determined that the election for alternate valuation

should have been made. Accordingly, this request for an extension of time to make the election was submitted on or around Date 4.

Section 2032(a) provides, in part, that the value of the gross estate may be determined, if the executor so elects, by valuing all the property included in the gross estate as follows:

- (1) In the case of property distributed, sold, exchanged, or otherwise disposed of, within 6 months after the decedent's death, such property shall be valued as of the date of distribution, sale, exchange, or other disposition.
- (2) In the case of property not distributed, sold, exchanged, or otherwise disposed of, within 6 months after the decedent's death, such property shall be valued as of the date 6 months after the decedent's death.

Section 2032(c) provides that no election may be made under § 2032 with respect to an estate unless such election will decrease: (1) the value of the gross estate; and (2) the sum of the tax imposed under chapter 11 of the Code and the tax imposed by chapter 13 with respect to property includible in the decedent's gross estate (reduced by credits allowable against such taxes).

Section 2032(d)(1) provides that an election under § 2032 shall be made by the executor on the return of tax imposed by § 2001. Such election, once made, shall be irrevocable. Under § 2032(d)(2), no election may be made under § 2032 if such return is filed more than 1 year after the time prescribed by law (including extensions) for filing such return.

Section 20.2032-1(b)(3) of the Estate Tax Regulations provides that a request for an extension of time to make the election pursuant to §§ 301.9100-1 and 301.9100-3 will not be granted unless the estate tax return is filed no later than 1 year after the due date of the return including extensions.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except in subtitles E, G, H, and I.

Section 301.9100-3 sets forth the standards that the Commissioner uses to determine whether to grant an extension of time to make an election whose due date is prescribed by a regulation and not expressly provided by statute. These standards indicate that the Commissioner should grant relief when the taxpayer provides evidence proving to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the Government.

Section 301.9100-3(b)(1)(v) provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer reasonably relied on a qualified tax professional, including a tax professional employed by the taxpayer, and the tax professional failed to make, or to advise the taxpayer to make, the election.

Based on the facts submitted and the representations made, we conclude that the requirements of § 301.9100-3 are satisfied. Therefore, Executors are granted an extension of time of 120 days from the date of this letter to make the alternate valuation election under § 2032. A copy of this letter should be forwarded to the Cincinnati Service Center at the following address: Internal Revenue Service, Cincinnati Service Center – Stop 82, Cincinnati, OH 45999.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,  
Associate Chief Counsel  
(Passthroughs & Special Industries)

Lorraine E. Gardner  
Senior Counsel Branch 4  
Office of Associate Chief Counsel  
(Passthroughs & Special Industries)

Enclosure:  
Copy of this letter