

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:PSI:B01
PLR-122488-22

Date:
May 17, 2023

LEGEND

Trust =

Decedent =

Date 1 =

Date 2 =

Date 3 =

Charity =

Dear _____ :

This letter responds to a to a letter dated November 14, 2022, and subsequent correspondence, submitted on behalf of Trust requesting rulings under §§ 642(c)(1) and 691 of the Internal Revenue Code (the Code).

FACTS

The information submitted states that Decedent created Trust on Date 1 and died on Date 2. Decedent owned an individual retirement account (IRA) at the time of his death, which named Trust as the sole designated beneficiary. Article FOUR of Trust provides that the residuary of Trust, consisting of the IRA, shall be distributed to Charity,

which is a public charity that is a donor advised fund. During Trust's taxable year ending Date 3, Trust received a distribution of cash from the IRA and paid the cash to Charity within the same taxable year. In subsequent years, Trust expects to receive distributions of cash from the IRA and pay the cash to Charity within the taxable year of receipt.

LAW & ANALYSIS

Section 691(a)(1) provides that the amount of all items of gross income in respect of a decedent (IRD) which are not properly includable in respect of the taxable period in which falls the date of the decedent's death or a prior period (including the amount of all items of gross income in respect of a prior decedent, if the right to receive such amount was acquired by reason of the death of the prior decedent or by bequest, devise, or inheritance from the prior decedent) shall be included in the gross income, for the taxable year when received, of: (A) the estate of the decedent, if the right to receive the amount is acquired by the decedent's estate; (B) the person who, by reason of the death of the decedent, acquires the right to receive the amount, if the right to receive the amount is not acquired by the decedent's estate from the decedent; or (C) the person who acquires from the decedent the right to receive the amount by bequest, devise, or inheritance, if the amount is received after a distribution by the decedent's estate of such right.

Rev. Rul. 92-47, 1992-1 C.B. 198, holds that a distribution to the beneficiary of a decedent's IRA that equals the amount of the balance in the IRA at the decedent's death, less any nondeductible contributions, is IRD under § 691(a)(1) that is includable in the gross income of the beneficiary for the tax year the distribution is received.

Section 642(c)(1) provides that in the case of an estate or trust (other than a trust meeting the specifications of subpart B of part I of subchapter J of chapter 1), there shall be allowed as a deduction in computing its taxable income (in lieu of the deduction allowed by § 170(a), relating to deduction for charitable, etc. contributions and gifts) any amount of gross income, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, paid for a purpose specified in § 170(c) (determined without regard to § 170(c)(2)(A)).

Section 1.642-1(a)(1) provides that any part of the gross income of a trust which, pursuant to the terms of the governing instrument, is paid during a taxable year for a charitable purpose shall be allowed as a deduction to the trust.

CONCLUSION

Based solely on the facts submitted and representations made, we conclude that for Trust's taxable year ending Date 3, and any subsequent year, the distribution from the IRA to Trust is IRD to Trust. We further conclude that for Trust's taxable year ending Date 3, and any subsequent year, Trust is entitled to a deduction under

§ 642(c)(1) equal to the amount of IRD included in Trust's gross income for the year as a result of the distribution from the IRA to the extent such distribution is paid to Charity.

Except as specifically set forth above, we express or imply no opinion concerning the federal tax consequences of the facts described above under any other provision of the Code.

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 materials submitted in support of the ruling request, it is subject to verification on examination.

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.

Pursuant to a power of attorney on file, a copy of this letter is being sent to Trust's authorized representative.

Sincerely,

/s/

Jennifer N. Keeney
Senior Counsel, Branch 1
Office of the Associate Chief Counsel
(Passthroughs & Special Industries)

cc: