

## Internal Revenue Service

Number: **202425012**  
Release Date: 6/21/2024

Index Number: 2032.00-00, 9100.00-00

Department of the Treasury  
Washington, DC 20224

Third Party Communication: None  
Date of Communication: Not Applicable

Person To Contact:

ID No.

Telephone Number:

Refer Reply To:  
CC:PSI:B04  
PLR-121711-23

Date:  
March 22, 2024

### Legend

Decedent =  
Son =  
Accounting Firm =  
Date 1 =  
Date 2 =  
Corporation =

Dear :

This letter responds to the November 1, 2023 letter from your authorized representative, and subsequent 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 submitted are summarized as follows:

Decedent died on Date 1. Decedent's son (Son) served as the executor of Decedent's estate. At his death, Decedent held a significant interest in Corporation, a closely-held corporation.

Son hired Accounting Firm to prepare Decedent's Form 706. Corporation's Chief Executive Officer (CEO) provided false information to Accounting Firm regarding the value of Corporation. Based upon the false information, Accounting Firm failed to advise Son to make an alternate valuation election under § 2032. On Date 2, a date prior to the due date of the return (including extensions actually granted), Son filed Decedent's Form 706 (United States Estate (and Generation-Skipping Transfer) Tax Return) without making an alternate valuation election under § 2032.

You have requested the following ruling:

The estate of Decedent will be granted an extension of time under § 301.9100-3 to make an alternate valuation election under § 2032.

## LAW AND ANALYSIS

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 the election will decrease: (1) the value of the gross estate; and (2) the sum of the federal estate tax and the generation-skipping transfer tax imposed on the estate 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. Under § 2032(d)(2), no election may be made under § 2032 if the return is filed more than 1 year after the time prescribed by law (including extensions) for filing the return.

Section 20.2032-1(b)(3) of the Estate Tax Regulations provides that a request for an extension of time 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 actually granted).

Under § 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or statutory election (but no more than 6 months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except Subtitles E, G, H, and I, if the taxpayer demonstrates to the satisfaction of the Commissioner that the taxpayer has acted reasonably and in good faith, and granting relief will not prejudice the interests of the government.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make an election.

Section 301.9100-2 provides an automatic extension of time for making certain elections. Section 301.9100-3 provides extensions of time for making elections that do not meet the requirements of § 301.9100-2.

Section 301.9100-3(b)(1)(ii) provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer failed to make the election because of intervening events beyond the taxpayer's control.

Section 301.9100-3(b)(1)(iii) provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer failed to make the election because, after exercising reasonable diligence (taking into account the taxpayer's experience and the complexity of the return or issue), the taxpayer was unaware of the necessity for the election.

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 advise the taxpayer to make, the election.

Based on the facts submitted and the representations made, we conclude that the standards of §§ 301.9100-1 and 301.9100-3 have been satisfied. Therefore, we grant an extension of time of 120 days from the date of this letter to make the alternate valuation election under § 2032. The election should be made by filing an amended Form 706 and a copy of this letter, within 120 days from the date of this letter, with the Internal Revenue Service Center, at the following address: Department of the Treasury, Internal Revenue Service Center, ATTN: E & G, Stop 824G, 7940 Kentucky Drive, Florence, KY 41042-2915.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we express no opinion concerning whether Decedent's estate is entitled to value Decedent's assets on the alternate valuation date (such conclusion depending, in part, on those factors listed in § 2032(c)). Similarly, we express no opinion concerning the value of Decedent's assets on the alternate valuation date (such conclusion depending upon those factors listed in § 2032(a)).

The ruling contained in this letter is 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.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) 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.

Sincerely,

Associate Chief Counsel  
Passthroughs and Special Industries

*Melissa C. Liquerman*

By: \_\_\_\_\_  
[Melissa C. Liquerman]  
Senior Counsel, Branch 4  
Office of the Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosure:  
Copy for § 6110 purposes

cc: