

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **202618006**
Release Date: 5/1/2026
Index Number: 642.03-00

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact: _____, ID No.

Telephone Number:

Refer Reply To:
CC:PT&E:B03
PLR-114550-25
Date:
February 04, 2026

LEGEND

Estate =

Decedent =

State =

Date =

Will =

n =

Year 1 =

Year 2 =

Dear _____ :

This letter responds to a letter dated June 16, 2025, and subsequent correspondence, submitted on behalf of Estate, by its authorized representatives, requesting a ruling under § 642(c) of the Internal Revenue Code.

FACTS

The information submitted states that Decedent was a resident of State and died on Date. Estate is Decedent's estate.

Pursuant to Decedent's Will, after payment of specific bequests and all taxes, administrative costs, and debts, n% of the residue of Estate is payable to organizations Estate represents are exempt from tax under § 501(c)(3) ("Charitable Organizations"). Decedent's Will does not provide for the treatment of income earned by Estate. However, Estate represents that, under the laws of State, income not arising from a specifically bequeathed asset must be paid to residuary beneficiaries. Further, Estate represents that an order of the probate court administering Estate mandates that all income arising from assets not specifically bequeathed to designated beneficiaries shall be distributed to Estate's residuary beneficiaries, including the Charitable Organizations.

Estate represents that, during the Year 1 and Year 2 taxable years, it paid to the Charitable Organizations n% of the gross income allocable to Estate's residuary beneficiaries and claimed a deduction for such payments under § 642(c)(1) on its timely filed returns for such taxable years. Further, Estate represents that, in accordance with Decedent's Will and the laws of State, it will pay n% of the gross income to the Charitable Organizations in subsequent taxable years during which Estate is being administered.

Estate requests a ruling that amounts paid to the Charitable Organizations during the Year 1 and Year 2 taxable years were properly deducted under § 642(c)(1) and that it will be allowed a charitable contribution deduction under § 642(c)(1) in subsequent taxable years to the extent Estate pays n% of Estate's income to the Charitable Organizations in accordance with Decedent's Will and the laws of State.

LAW AND ANALYSIS

Section 642(c)(1) provides that in the case of an estate or trust (other than a trust meeting the specifications of subpart B), there shall be allowed as a deduction in computing its taxable income (in lieu of the deduction allowed by § 170(a), relating to the deduction for charitable, etc., contributions and gifts) any amount of the 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(c)-1(a) of the Income Tax Regulations provides for an unlimited deduction for any part of the gross income of an estate pursuant to the terms of the will is paid or treated as paid during the taxable year for a purpose specified in § 170(c).

Rev. Rul. 68-667, 1968-2 C.B. 289 provides that in the absence of a testamentary provision to the contrary, state law determines whether a bequest to a charitable organization is paid from an estate's corpus or income.

Rev. Rul. 71-285, 1977-2 C.B. 213 provides that when a trust instrument directs the trustee to make payments to charitable beneficiaries, but does not indicate whether

payments are to be made from income or principal, the grantor's intent is interpreted and governed by the requirements of local law.

In *Commissioner v. Estate of Bosch*, 387 U.S. 456 (1967), the Court considered whether a state trial court's characterization of property rights conclusively binds a federal court or agency in a federal estate tax controversy. The Court concluded that the decision of a state trial court as to an underlying issue of state law should not be controlling when applied to a federal statute. Rather, the highest court of the state is the best authority on the underlying substantive rule of state law to be applied in the federal matter. If there is no decision by that court, then the federal authority must apply what it finds to be state law after giving "proper regard" to the state trial court's determination and to relevant rulings of other courts of the state. In this respect, the federal agency may be said, in effect, to be sitting as a state court.

CONCLUSION

Based solely on the facts submitted and the representations made, we conclude that the amounts Estate paid to the Charitable Organizations during the Year 1 and Year 2 taxable years were properly deducted under § 642(c)(1) on its Year 1 and Year 2 tax returns, provided the amounts of gross income paid to the Charitable Organizations were includible in Estate's gross income for the Year 1 and Year 2 taxable years. Additionally, we conclude that Estate may deduct those amounts of gross income that are paid to the Charitable Organizations under § 642(c)(1) in subsequent taxable years to the extent that those amounts are includible in the gross income of Estate for the taxable year.

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

The rulings contained in this letter are based on 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 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.

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

Sincerely,

Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

By: _____
Brian J. Barrett
Senior Technician Reviewer, Branch 3
Office of the Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

Enclosure:

Copy of this letter for § 6110 purposes

cc: