Internal Revenue Service

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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:PT&E:B04
PLR-103267-26

Date:
August 19, 2026

In Re:

LEGEND

Decedent =

Spouse =

Accountant =
Attorney =
Trust =

Exempt Marital Trust =

Non-Exempt Marital Trust =

Date 1 =
Date 2 =
Date 3 =
y =
z =

Dear :

This letter responds to a letter from your authorized representative dated January 9, 2026, and subsequent correspondence, requesting an extension of time under § 301.9100-1 and § 301.9100-3 of the Procedure and Administration Regulations to make a reverse qualified terminable interest property (QTIP) election under § 2652(a)(3) of the Internal Revenue Code (Code).

The facts and representations submitted are summarized as follows:
On Date 1, Decedent executed Trust, a revocable trust, which was most recently amended on Date 2. Decedent died on Date 3, survived by Spouse. Trust became irrevocable upon Decedent's death.

Article Seven of Trust provides for the distribution of certain specific bequests. After such distribution, Section 8.01 directs the trustee to divide the remaining trust estate into two separate shares, the marital share and non-marital share. The trustee is to allocate all or a portion of the remaining trust property, for which the trustee will make a QTIP election, to the marital share. The remainder of the trust property is to be allocated to the non-marital share.

Section 8.02 of Trust directs trustee to divide the marital share into the exempt marital share and non-exempt marital share. Section 8.02(a) directs the trustee to allocate to the exempt marital share the amount equal to Decedent's available GST exemption remaining, less the value of the non-marital share. Section 8.02(b) directs the trustee to allocate any balance of the marital share to the non-exempt marital share.

Sections 9.01 and 10.01 of Trust direct the trustee to administer the exempt and non-exempt marital shares in separate trusts, the Exempt Marital Trust and the Non-Exempt Marital Trust, respectively, and distribute all the net income of each trust at least quarter-annually to Spouse during his lifetime. Sections 9.04 and 10.03 provide that trustee will convert unproductive property held in either the Exempt or Non-Exempt Marital Trust at the written request of Spouse.

Sections 9.05 and 10.06 of Trust express Decedent's intent that the property of the Exempt and Non-Exempt Marital Trusts will constitute qualified terminable interest property, and that the instrument is to be interpreted to accomplish this intent.

Spouse, as personal representative of Decedent's estate and trustee of Trust, engaged Accountant and Attorney to prepare Decedent's Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return. Attorney, as the drafter of Decedent's Trust, assisted Accountant with the preparation of Decedent's Form 706. Accountant timely filed Form 706 and, on Schedule M (Bequests to Surviving Spouse), identified Marital Trust as QTIP under § 2056(b)(7). However, Schedule M did not indicate that section 8.2 of Trust requires division of the marital share into the Exempt Marital Trust and the Non-Exempt Marital Trust. Accordingly, no Schedule R (Generation-Skipping Transfer Tax) was filed with Decedent's Form 706 and Decedent's estate, therefore, did not make a reverse QTIP election with respect to the property of the Exempt Marital Trust. Spouse's new counsel discovered the failure to make the reverse QTIP election.

Decedent's estate represents that $y of Decedent's GST exemption was affirmatively or automatically allocated to Decedent's lifetime transfers, leaving $z of GST exemption available at Decedent's death. Decedent's estate further represents that, after GST

exemption is automatically allocated to testamentary transfers, GST exemption is available to automatically allocate to the Exempt Marital Trust.

Decedent's estate requests an extension of time under § 301.9100-3 to make a reverse QTIP election under § 2652(a)(3) with respect to the property of Exempt Marital Trust.

LAW AND ANALYSIS

Section 2001(a) imposes a tax on the transfer of the taxable estate of every decedent who is a citizen or resident of the United States.

Section 2056(a) provides that, for purposes of the tax imposed by § 2001, the value of the taxable estate shall, except as limited by § 2056(b), be determined by deducting from the value of the gross estate an amount equal to the value of any interest in property which passes or has passed from the decedent to the surviving spouse, but only to the extent that such interest is included in determining the value of the gross estate.

Section 2056(b)(1) provides, in pertinent part, that no deduction is allowed under § 2056(a) where, on the lapse of time, on the occurrence of an event or contingency, or on the failure of an event or contingency to occur, an interest passing to the surviving spouse will terminate or fail.

Section 2056(b)(7)(A) provides that, in the case of QTIP, for purposes of § 2056(a), such property shall be treated as passing to the surviving spouse, and for purposes of § 2056(b)(1)(A), no part of such property shall be treated as passing to any person other than the surviving spouse.

Section 2056(b)(7)(B)(i) defines "qualified terminable interest property" as property: (I) which passes from the decedent; (II) in which the surviving spouse has a qualifying income interest for life as defined in § 2056(b)(7)(B)(ii); and (III) to which an election under § 2056(b)(7) applies.

Section 2056(b)(7)(B)(v) provides that an election under § 2056(b)(7) with respect to any property shall be made by the executor on the return of tax imposed by § 2001. The election, once made, is irrevocable.

Section 2601 imposes a tax on every GST. A GST is defined under § 2611(a) as: (1) a taxable distribution; (2) a taxable termination; and (3) a direct skip.

Section 2602 provides that the amount of GST tax is the taxable amount multiplied by the applicable rate. Section 2641(a) defines "applicable rate" as the product of the maximum federal estate tax rate and the inclusion ratio with respect to the transfer.

Section 2631(a) provides that, for purposes of determining the inclusion ratio, every individual shall be allowed a GST exemption amount which may be allocated by the individual (or the individual's executor) to any property with respect to which the individual is the transferor. Section 2631(b) provides that any allocation under § 2631(a), once made, shall be irrevocable.

Section 2632(a)(1) provides that any allocation by an individual of GST exemption under § 2631(a) may be made at any time on or before the date prescribed for filing the estate tax return for the individual's estate (determined with regard to extensions), regardless of whether an estate tax return is required to be filed.

Under § 2632(e) and § 26.2632-1(d)(2), an individual's unused GST exemption is automatically allocated on the due date to the extent not otherwise allocated by the individual's executor on or before that date. The unused exemption is allocated: (A) first to property which is the subject of a direct skip occurring at such individual's death, and (B) second to trusts with respect to which such individual is the transferor and from which a taxable distribution or a taxable termination might occur at or after such individual's death. However, no automatic allocation of GST exemption is made to a trust that will have a new transferor with respect to the entire trust prior to the occurrence of any GST with respect to the trust.

Section 2642(a)(1) defines "inclusion ratio" as the excess (if any) of 1 over the applicable fraction. Under § 2642(a)(2), the "applicable fraction" is a fraction the numerator of which is the amount of the GST exemption allocated to the trust and the denominator of which is the value of the property transferred to the trust reduced by the sum of any federal estate tax or state death tax actually recovered from the trust attributable to such property and any charitable deduction allowed under § 2055 or 2522 with respect to such property.

Section 2652(a)(1) provides that, for GST tax purposes, an individual shall be treated as transferring any property with respect to which the individual is the transferor. Under § 2652(a)(1), the "transferor" is the decedent with respect to any property subject to federal estate tax and the donor with respect to any property subject to federal gift tax. However, under § 2652(a)(3), in the case of any trust for which a marital deduction is allowed to the decedent by reason of § 2056(b)(7), the estate of the decedent may elect to treat all of the property in the trust for GST tax purposes as if the QTIP election had not been made. The election under § 2652(a)(3) is referred to as a "reverse QTIP election." The consequence of a reverse QTIP election is that, for GST tax purposes, the decedent, not the surviving spouse, is the transferor of the trust for which the QTIP election is made, and the decedent's GST exemption may be allocated to the trust.

Section 26.2652-2(a) provides, in part, that a reverse QTIP election is not effective unless it is made with respect to all of the property in the trust to which the QTIP election applies. Under § 26.2652-2(b), the reverse QTIP election is made on the return of tax on which the QTIP election is made.

Section 26.2654-1(b)(1) provides, in part, that the severance of a trust that is included in the transferor's gross estate (or created under the transferor's will) into two or more trusts is recognized for GST tax purposes if the trust is severed pursuant to a direction in the governing instrument providing that the trust is to be divided upon the death of the transferor.

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 subtitles E, G, H, and I.

Section 301.9100-3 provides the standards used 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).

Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant of 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 advise the taxpayer to make, the election.

In this case, the terms of Trust direct the severance of marital share into Exempt Marital Trust and Non-Exempt Marital Trust. Therefore, under § 26.2654-1(b)(1)(i), this severance is recognized for GST tax purposes. As a result of the QTIP election made on Form 706, and pursuant to § 2519 or § 2044(a), Spouse will become the transferor of the Exempt Marital Trust for GST tax purposes prior to the occurrence of any GST, thereby precluding allocation of Decedent's GST exemption to the Exempt Marital Trust. However, if Decedent's estate is granted an extension of time to make a reverse QTIP election, Decedent will remain the transferor of the Exempt Marital Trust for GST tax purposes, and Decedent's available GST exemption will be automatically allocated under § 2632(e).

Based on the facts submitted and the representations made, we conclude that the requirements of § 301.9100-3 have been satisfied. Therefore, Decedent's estate is granted an extension of time of 120 days from the date of this letter to make a reverse QTIP election with respect to the property of the Exempt Marital Trust.
The reverse QTIP election should be made on a supplemental Form 706. The supplemental Form 706 should be filed with the Service Center at the following address: Internal Revenue Service Center, Attn: E&G, Stop 824G, 7940 Kentucky Drive,

Florence, KY 41042-2915. A copy of this letter should be attached to the supplemental Form 706.

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.

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.

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.

Sincerely,

Acting Associate Chief Counsel
Passthroughs, Trusts, and Estates

By: _____/S/_____
Melissa C. Liquerman
Senior Counsel, Branch 4
Office of the Associate Chief Counsel
(Passthroughs, Trusts, and Estates)

Enclosure
Copy for §6110 purposes

cc: