Center for Agricultural Law & Taxation

Your Client Dies, What's Next?

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Deceased Taxpayers – Protecting the Deceased's Identity from ID Theft

- Each year, thieves steal the identities of nearly 2.5 million deceased Americans
- The information below provides a few tips to reduce the risk of having a deceased person's identity stolen:
  - Send the IRS a copy of the death certificate, this is used to flag the account to reflect that the person is deceased
  - Send copies of the death certificate to each credit reporting bureau asking them to put a "deceased alert" on the deceased's credit report
  - Review the deceased's credit report for questionable credit card activity
  - Avoid putting too much information in an obituary, such as birth date, address, mother's maiden name or other personally identifying information that could be useful to identity thieves

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Income in Respect of a Decedent

- If the decedent used the cash basis of accounting, only the income items actually or constructively received prior to death are included on the final Form 1040
- If the decedent used the accrual basis of accounting, the income items actually accrued through the date of death are reportable on the final individual return
- Such income, which the decedent had a right to receive but was not reported on his final return, is referred to as "income in respect of the decedent" (IRD)
- IRD is included in taxable income in the tax year received, regardless of the accounting method used by the estate or other recipient
- It retains the same character in the hands of the recipient as it would have had in the hands of the decedent

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We Will Discuss

Elections

- Joint return with a surviving spouse
- Series E bonds accrued interest and H Bonds converted to E Bonds - § 454 Election
- Unpaid medical expenses
- Touch on special use valuation for farm real estate

§ 454 Election

- A personal representative of an estate can elect to report all the accrued interest up to the date of death on the decedent's final income tax return- savings bonds
- When an heir redeems the bonds, the only interest to report will be the interest that has accrued from the date of the decedent's death Rev. Rul. 68-145
- Important to keep the record of interest reported for future redemption of the bonds

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Goal

- Report the proper amount
- Under the proper classification
- In the proper year
- On the proper return
- For the right taxpayer/entity

Start with IRS

Getting Information from IRS

- Some or all of the information you need, may be in the decedent's personal records
- If not, you will need to request information from the IRS, and they need to know that you are authorized to receive it

Getting Information from IRS

- To establish that you are properly authorized to receive tax information of a decedent or their estate, submit the following with the information request:
  - The decedent's complete name, address and social security number
  - A copy of the death certificate, and either
    - A copy of Letters Testamentary approved by the court, or
    - IRS Form 56, Notice Concerning Fiduciary Relationship, if there is no court proceeding

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Understanding the General Duties as an Estate Administrator

- When a person dies a probate proceeding may be opened
- Depending on state law, probate will generally open within 30 to 90-days from the date of death
- One of the probate court's first actions will be to appoint a legal representative for the decedent's estate
- The legal representative may be a surviving spouse, other family member, executor named in the decedent's will or an attorney
- The probate court will issue Letters Testamentary authorizing the estate administrator of the decedent to act on the decedent's behalf
- You will need the Letters Testamentary to handle the decedent's tax and other matters

Understanding the General Duties as an Estate Administrator

- In general, the responsibilities of an estate administrator are
  - Collect and inventory all the decedent's assets
  - Pay creditors and
  - Distribute the remaining assets to heirs or other beneficiaries
- As an estate administrator, the first responsibility is to provide the probate court with an accounting of the decedent's assets and debts
- Some assets may need to be appraised to determine their value
- All debts will need to be verified and creditor claims against the estate must be filed

Letters of Testamentary

- A document issued by the court during probate of a decedent's estate
- In some states, they may be called Letters of Administration or Letters of Representation
- The document grants the estate administrator, executor or personal representative of the deceased, authority to manage the affairs of the decedent and their estate
- In addition to resolving tax matters, you may need Letters Testamentary to gain control of the decedent's assets

Form 56, Notice Concerning Fiduciary Relationship

- Notifies the IRS of the existence of a fiduciary relationship
- A fiduciary (trustee, executor, administrator, receiver or guardian) stands in the position of a taxpayer and acts as the taxpayer
- Proper documentation showing authority to act on behalf of the decedent, such as a will, should be attached to the Form 56

Form 56

Form **56** (Rev. December 2015) Department of the Treasury Internal Revenue Service

Notice Concerning Fiduciary Relationship

► Information about Form 56 and its separate instructions is at www.irs.gov/form56.

(Internal Revenue Code sections 6036 and 6903)

OMB No. 1545-0013

Part I Identification

Name of person for whom you are acting (as shown on the tax return) | Identifying number | Decedent's social security no.

Address of person for whom you are acting (number, street, and room or suite no.)

City or town, state, and ZIP code (If a foreign address, see instructions.)

Fiduciary's name

Address of fiduciary (number, street, and room or suite no.)

City or town, state, and ZIP code | Telephone number (optional) ( )

Section A. Authority

1 Authority for fiduciary relationship. Check applicable box:

a ☐ Court appointment of testate estate (valid will exists)
b ☐ Court appointment of intestate estate (no valid will exists)
c ☐ Court appointment as guardian or conservator
d ☐ Valid trust instrument and amendments
e ☐ Bankruptcy or assignment for the benefit or creditors
f ☐ Other. Describe ►

2a If box 1a or 1b is checked, enter the date of death ►

b If box 1c—1f is checked, enter the date of appointment, taking office, or assignment or transfer of assets ►

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A Copy of the Decedent's Tax Return(s)

- Use Form 4506, Request for Copy of Tax Returns
- There is a fee for each return requested, $50.00
- The IRS can also provide a Tax Return Transcript for many returns free of charge
- A transcript provides most of the line entries from the original tax return
- Form 4506 can also provide income information from Forms W2, 1099, or 1098 if requested

Form 4506-T

- You may request a transcript by mail using IRS Form 4506-T, Request for Transcript of Tax Return, and have it mailed to the address on record
- The estate administrator must attach the authorization to handle the decedent's affairs in order to receive this information
- If a transcript is requested online it will be mailed to the decedent's address of record

Kansas City Fax Number Change for Form 4506-T

- The new fax number is 855-821-0094
- The previous fax number of 816-292-6102 is no longer in service

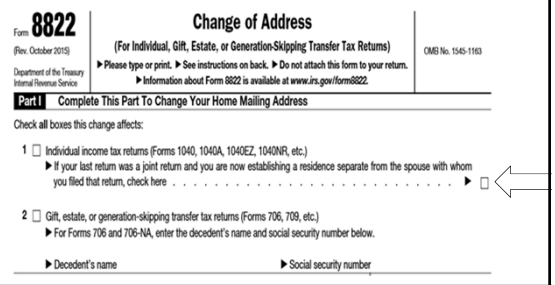
Address of Record

- Change of address
- As an estate administrator, it may be necessary to change the decedent's address of record in order for you or the trustee to receive IRS correspondence regarding the decedent and/or their estate
- Use IRS Form 8822, Change of Address
- Use separate Forms 8822 for the decedent and the estate
- As a tax representative or estate administrator filing the change of address for the decedent, attach a power of attorney or other proper authorization

Signature – Form 8822

- The estate administrator, executor or an authorized representative must sign
- If the last return was a joint return, the spouse must also sign
- Unless the taxpayer has indicated by checking the box on line 1 that they are establishing a separate residence

Separate Residence



Form **8822** (Rev. October 2015)
Department of the Treasury Internal Revenue Service

Change of Address
(For Individual, Gift, Estate, or Generation-Skipping Transfer Tax Returns)
▶ Please type or print. ▶ See instructions on back. ▶ Do not attach this form to your return.
▶ Information about Form 8822 is available at www.irs.gov/form8822.

OMB No. 1545-1163

Part I Complete This Part To Change Your Home Mailing Address

Check **all** boxes this change affects:

1 ☐ Individual income tax returns (Forms 1040, 1040A, 1040EZ, 1040NR, etc.)
▶ If your last return was a joint return and you are now establishing a residence separate from the spouse with whom you filed that return, check here . . . . . ▶ ☐

2 ☐ Gift, estate, or generation-skipping transfer tax returns (Forms 706, 709, etc.)
▶ For Forms 706 and 706-NA, enter the decedent's name and social security number below.

▶ Decedent's name ▶ Social security number

USPS

- Any new address provided to the U.S. Postal Service (USPS) may also update the address of record on file with IRS based on what the USPS retains in its National Change of Address (NCOA) database
- However, even if a taxpayer notifies the USPS, they should still notify IRS directly as not all post offices forward government checks

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Gift Tax Returns

Gift Tax Returns
Getting Gift Tax Account Information For Unknown Years

- When the tax periods for filed Forms 709 are unknown, a written request may be made to the IRS to secure that information, if any
- The written request should include language requesting a determination of all gift tax returns filed for the taxpayer between certain years
- Keep in mind that data before 2000 is not available online and may take up to 30 days for a response

Gift Tax Returns

- Using the “Chart for all other transcripts” on Page 2 of Form 4506-T, either mail or fax the written request to the appropriate IRS office
- Watch the fax numbers
- The signature requirements and required documentation are identical to the requirements for Form 4506-T
- No fee applies
- Once specific years are known, use Form 4506-T to request an account transcript for each tax period, or Form 4506 to request a copy of a specific gift tax return

Chart

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address	Internal Revenue Service RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 801-620-6922
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Internal Revenue Service RAIVS Team Stop 6800 Kansas City, MO 64999 Internal Revenue Service RAIVS Team Stop 2800 F Cincinnati, OH 45250 859-669-3592

Getting Gift Tax Account Information Using Form 4506-T or Transcript Delivery Service (TDS)

- Form 4506-T, Request for Transcript of Tax Return, is used to request an account transcript for tax periods where a tax return is known to have been filed
- Complete Form 4506-T paying special attention to Line 6
- Check the box at Line 6b of Form 4506-T to request an account transcript of specific years indicated on Line 9
- No other option listed under Line 6 on Form 4506-T is available for gift tax

Form 4506-T Line 6

6 **Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number pe

a **Return Transcript,** which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120-A, Form 1120-H, Form 1120-L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days . . . . . ☐

b **Account Transcript,** which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 10 business days . ☐

c **Record of Account,** which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 10 business days . . . . . ☐

7 **Verification of Nonfiling,** which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days . . ☐

8 **Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2011, filed in 2012, will likely not be available from the IRS until 2013. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 10 business days . ☐

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

Getting Gift Tax Account Information Using Form 4506-T or Transcript Delivery Service (TDS)

- Prior to submitting the request, please note the requirements for signatures of representatives and documentation necessary to be submitted for deceased taxpayers
- Another option is for Circular 230 tax professionals to register at IRS.gov to access account transcripts for estate and gift tax matters using the Transcript Delivery System (TDS)
- TDS can only be used for requests where the tax year is known; it will not assist in determining whether any gift tax returns have been filed

Get a Copy of a Filed Form 709 Using Form 4506

- Form 4506, Request for Copy of Tax Return, is used to request a copy of a specific previously filed tax return with all attachments
- A $50.00 fee per tax return applies
- Complete the Form 4506 with the taxpayer's current information
- Be specific with the years in which copies are requested
- Make the check or money order payable to the "United States Treasury"
- Enter the SSN and "Form 4506 Request" on the check or money order
- Allow 75 calendar days for the IRS to process the request for a copy of a tax return

Filing the Final Return Form 1040

What if No One Comes Forward to Act as a Personal Representative?

- This does happen for a variety of reasons
- The individual has no surviving family or an individual willing to be a responsible party
- As a tax professional, though you may want to assist, do not put yourself in a position of acting as a representative in these kind of cases
- Do not sign the return for the decedent
- A return can be filed without a signature – an explanation needs to be attached to the return

Tax Year – Method of Accounting

- The decedent's income includible on the final return is generally determined as if the person were still alive except that the taxable period is usually shorter because it ends on the date of death
- The method of accounting regularly used by the decedent before death also determines the income includible on the final return

Filing Requirement

- The same filing requirements apply even though individual is deceased
- Decedent's year of death is not a short tax year
- Income is not annualized
- Review all filing status
  - Though married at the time of death, a joint return is still a choice not a requirement
  - This is especially important if you are dealing with a non-filer issue
  - This duty will fall to the estate administrator

Joint Returns

- A final joint return with the decedent cannot be filed if the surviving spouse remarried before the end of the year of the decedent's death
- The filing status of the decedent in this instance is married filing a separate return

Personal Representative May Revoke Joint Return Election

- A court-appointed personal representative may revoke an election to file a joint return previously made by the surviving spouse
- This is done by filing a separate return for the decedent within 1 year from the due date of the return (including any extensions)
- The joint return made by the surviving spouse will then be regarded as the separate return of that spouse by excluding the decedent's items and refiguring the tax liability

Relief from Joint Liability

- In some cases, one spouse may be relieved of joint liability for tax, interest, and penalties on a joint return for items of the other spouse that were incorrectly reported on the joint return
- If the decedent qualified for this relief while alive, the personal representative can pursue an existing request, or file a request, for relief from joint liability

Estimated Taxes

- No estimated payments are required after death
- Reg. § 1.6015(b)-1(c) (2)
- Private Letter Ruling 9102010

First

- An estate administrator may need to file income tax returns for the decedent (Form 1040 series)
- The decedent's Form 1040 for the year of death, and for any preceding years for which a return was not filed, are required if the decedent's income for those years was above the filing requirement or had tax withheld that could generate a refund

Form 1040

- The final individual income tax return of a decedent is prepared and filed in the same manner as when they were alive
- All income up to the date of death must be reported and all credits and deductions to which the decedent is entitled may be claimed
- File the return using Form 1040 or, if the decedent qualifies, one of the simpler forms in the 1040 series (Forms 1040-A or 1040-EZ)

No Past Years or Some Past Years Not Filed

- If the decedent has not done so, the administrator may also have to file individual income tax returns for years preceding the year of death
- From IRS correspondence found in personal records, they may learn that the decedent has not filed required returns
- You may also obtain verification of non-filing and certain income documents of the decedent from the IRS using IRS Form 4506-T, Request for Transcript of Tax Return

Death Prior to Filing A Return

- If a taxpayer died before filing a return the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer
- A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property
- If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund
- The person who files the return must enter "Deceased," the deceased taxpayer's name, and the date of death across the top of the return
- If this information is not provided, it may delay the processing of the return

Surviving Spouse

- If a spouse died in any particular year and the other spouse did not remarry, or the spouse died before filing a return, the taxpayer can still file a joint return for that final year of death
- A joint return should show the spouse's income before death and the surviving spouse's income for the whole year
- Enter "Filing as surviving spouse" in the area where a taxpayer signs the return
- If someone else is the personal representative, he or she must also sign

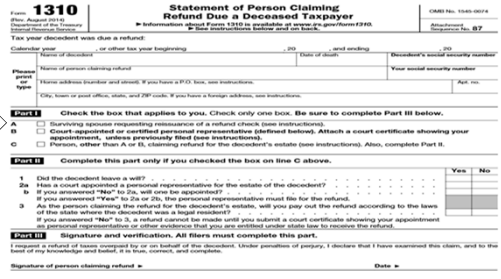
Notifications

- The surviving spouse or personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer's death
- This will ensure the proper reporting of income earned by the taxpayer's estate or heirs
- A deceased taxpayer's social security number shouldn't be used for tax years after the year of death, except when required for estate tax return purposes

Who Must File form 1310

- If the taxpayer is claiming a refund on behalf of a deceased taxpayer, they must file Form 1310 unless either of the following applies:
  - You are a surviving spouse filing an original or amended joint return with the decedent, or
  - You are a personal representative filing an original Form 1040, Form 1040A, Form 1040EZ, or Form 1040NR for the decedent and a court certificate showing the appointment is attached to the return

Form 1310



Form **1310** (Rev. August 2014)
Department of the Treasury
Internal Revenue Service

Statement of Person Claiming Refund Due a Deceased Taxpayer

► Information about Form 1310 is available at www.irs.gov/form1310.
► See instructions below and on back.

OMB No. 1545-0074
Attachment Sequence No. **87**

Tax year decedent was due a refund:

Calendar year _____, or other tax year beginning _____, 20____, and ending _____, 20____

Name of decedent | Date of death | Decedent's social security number

Please print or type — Name of person claiming refund | Your social security number

Home address (number and street). If you have a P.O. box, see instructions. | Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see instructions.

Part I **Check the box that applies to you.** Check only one box. **Be sure to complete Part III below.**

A ☐ Surviving spouse requesting reissuance of a refund check (see instructions).
B ☐ **Court-appointed or certified personal representative (defined below). Attach a court certificate showing your appointment, unless previously filed (see instructions).**
C ☐ **Person, other** than A or B, claiming refund for the decedent's estate (see instructions). Also, complete Part II.

Part II **Complete this part only if you checked the box on line C above.**

		Yes	No
1	Did the decedent leave a will?		
2a	Has a court appointed a personal representative for the estate of the decedent?		
b	If you answered "No" to 2a, will one be appointed? If you answered "Yes" to 2a or 2b, the personal representative must file for the refund.		
3	As the person claiming the refund for the decedent's estate, will you pay out the refund according to the laws of the state where the decedent was a legal resident? If you answered "No" to 3, a refund cannot be made until you submit a court certificate showing your appointment as personal representative or other evidence that you are entitled under state law to receive the refund.		

Part III **Signature and verification. All filers must complete this part.**

I request a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this claim, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of person claiming refund ► Date ►

Surviving Spouse

- Though the Form 1310 is not needed as a surviving spouse IRS may request the form
- It is a good practice to fill the form out requesting the refund be in the surviving spouse name only

Surviving Spouse
Line A – Check Reissuance Only

- Check the box on line A if you received a refund check in the surviving spouse's name and the deceased spouse's name
- Return the joint-name check with Form 1310 to the local IRS office or the Internal Revenue Service Center where the return was filed
- A new check will be issued

Bank Issues

- Depending on the bank, in small towns many times they will cash the joint check, but there is no guarantee
- Follow the Form 1310 procedure for reissuance

Where To File

- If you checked the box on line B or line C, then:
  - Follow the instructions for the form to which you are attaching Form 1310, or
  - Send it to the same Internal Revenue Service Center where the original return was filed if you are filing Form 1310 separately
  - If the original return was filed electronically, mail Form 1310 to the Internal Revenue Service Center designated for the address shown on Form 1310

Personal Representative

- A personal representative is the executor or administrator of the decedent's estate, as appointed or certified by the court
- A copy of the decedent's will cannot be accepted as evidence that you are the personal representative by the IRS

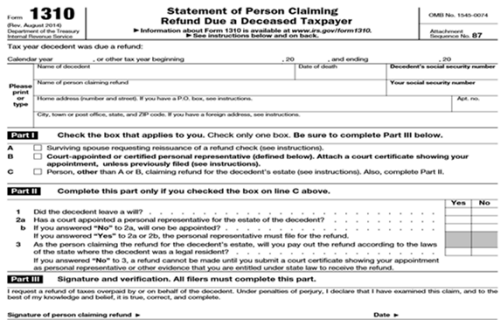
Example

- Jane's father died on April 25, 2016
- She is his sole survivor
- Her father did not have a will and the court did not appoint a personal representative for his estate
- The father is entitled to a $300 refund
- To get the refund, Jane must complete and attach Form 1310 to the father's final return
- She should check the box on Form 1310, line C, answer all the questions in Part II, and sign her name in Part III

Line C Form 1310

- Check the box on line C if the taxpayer is <u>not</u> a surviving spouse claiming a refund based on a joint return and there is no court appointed personal representative
- They must also complete Part II
- If they check the box on line C, they must have proof of death
- The proof of death is a copy of either of the following:
  - The death certificate, or
  - The formal notification from the appropriate government office (for example, Department of Defense) informing the next of kin of the decedent's death
- Do not attach the death certificate or other proof of death to Form 1310
- Instead, keep it for a record and provide it if requested

Form 1310



Form **1310**
(Rev. August 2014)
Department of the Treasury
Internal Revenue Service

Statement of Person Claiming Refund Due a Deceased Taxpayer
► Information about Form 1310 is available at www.irs.gov/form1310.
► See instructions below and on back.

OMB No. 1545-0074
Attachment Sequence No. **87**

Tax year decedent was due a refund:

Calendar year , or other tax year beginning , 20 , and ending , 20

Please print or type

Name of decedent	Date of death	Decedent's social security number
Name of person claiming refund		Your social security number
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see instructions.		

Part I **Check the box that applies to you.** Check only one box. **Be sure to complete Part III below.**

A ☐ Surviving spouse requesting reissuance of a refund check (see instructions).
B ☐ **Court-appointed or certified personal representative (defined below). Attach a court certificate showing your appointment, unless previously filed (see instructions).**
C ☐ **Person, other than A or B, claiming refund for the decedent's estate (see instructions). Also, complete Part II.**

Part II **Complete this part only if you checked the box on line C above.**

		Yes	No
1	Did the decedent leave a will?		
2a	Has a court appointed a personal representative for the estate of the decedent?		
b	If you answered **"No"** to 2a, will one be appointed? If you answered **"Yes"** to 2a or 2b, the personal representative must file for the refund.		
3	As the person claiming the refund for the decedent's estate, will you pay out the refund according to the laws of the state where the decedent was a legal resident? If you answered **"No"** to 3, a refund cannot be made until you submit a court certificate showing your appointment as personal representative or other evidence that you are entitled under state law to receive the refund.		

Part III **Signature and verification. All filers must complete this part.**

I request a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this claim, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of person claiming refund ► Date ►

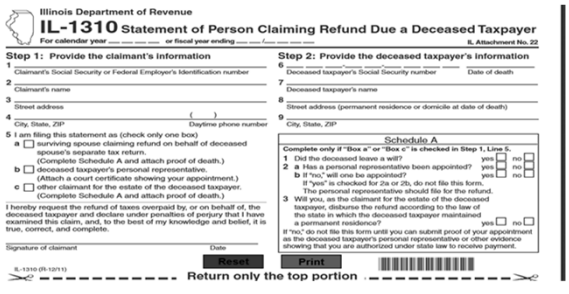
Both Spouses Die

- If both the taxpayer and spouse passed away during the year, please note that the IRS only allows you to e-file one Form 1310 on a return
- Not all Forms 1310 can be e-filed, depends on circumstances and software
- Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return <u>cannot</u> be used
- The return may need to be filed on paper

Form 1310

- Form 1310 is used to match the taxpayer claiming the refund with the deceased
- It also provides information on whether a will was left
- States have different rules regarding the pay out of the refund
- By submitting the form, the taxpayer agrees to abide by the applicable state law

States May Have Their Own Form 1310



Illinois Department of Revenue

IL-1310 Statement of Person Claiming Refund Due a Deceased Taxpayer

For calendar year ____ ____ ____ ____ or fiscal year ending ____ ____/____ ____ ____ ____ IL Attachment No. 22

Step 1: Provide the claimant's information

1 Claimant's Social Security or Federal Employer's Identification number

2 Claimant's name

3 Street address

4 City, State, ZIP ( ) Daytime phone number

5 I am filing this statement as (check only one box)

a ☐ surviving spouse claiming refund on behalf of deceased spouse's separate tax return. (Complete Schedule A and attach proof of death.)

b ☐ deceased taxpayer's personal representative. (Attach a court certificate showing your appointment.)

c ☐ other claimant for the estate of the deceased taxpayer. (Complete Schedule A and attach proof of death.)

I hereby request the refund of taxes overpaid by, or on behalf of, the deceased taxpayer and declare under penalties of perjury that I have examined this claim, and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature of claimant Date

Reset Print

IL-1310 (R-12/11)

Step 2: Provide the deceased taxpayer's information

6 Deceased taxpayer's Social Security number Date of death

7 Deceased taxpayer's name

8 Street address (permanent residence or domicile at date of death)

9 City, State, ZIP

Schedule A

Complete only if "Box a" or "Box c" is checked in Step 1, Line 5.

1 Did the deceased leave a will? yes ☐ no ☐

2 a Has a personal representative been appointed? yes ☐ no ☐

b If "no," will one be appointed? yes ☐ no ☐

If "yes" is checked for 2a or 2b, do not file this form. The personal representative should file for the refund.

3 Will you, as the claimant for the estate of the deceased taxpayer, disburse the refund according to the law of the state in which the deceased taxpayer maintained a permanent residence? yes ☐ no ☐

If "no," do not file this form until you can submit proof of your appointment as the deceased taxpayer's personal representative or other evidence showing that you are authorized under state law to receive payment.

Return only the top portion

It Is A Waiting Game

- You cannot file the final Form 1040 until the forms are released for the year of death
- **DO NOT CROSS THROUGH A 2016 RETURN AND WRITE IN 2017**

Summary

- Prepare and file the final return
- Verify all prior year returns have been filed
- Income earned up to the date of death applies to the Form 1040
- Income earned after the date of death belongs on a Form 1041, generally
- The taxpayer is entitled to all deductions, paid before death, and credits

Center for Agricultural Law & Taxation

Income and Expenses on Form 1040

Medical Expenses

- Medical expenses paid before death by the decedent are included in figuring any deduction for medical and dental expenses on the decedent's final income tax return
- This includes expenses for the decedent's spouse and dependents as well as for the decedent

Medical Expenses

- The survivor or personal representative of a decedent can choose to treat certain expenses paid by the decedent's estate for the decedent's medical care as paid by the decedent at the time the medical services were provided
- The expenses must be paid within the 1-year period beginning with the day after the date of death
- If the survivor or personal representative makes this choice, they must attach a statement to the decedent's Form 1040 (or the decedent's amended return, Form 1040X) saying that the expenses haven't been and won't be claimed on the estate tax return

Election to Deduct Decedent's Medical Expenses on Decedent's Income Tax Return (Code Sec. 213) – Parker Tax Pro Library

Sample Election Statement

Election to Deduct Medical Expenses Paid Within One Year of Death on Decedent's Income Tax Return

Name of decedent: [Deceased taxpayer's name]

Taxpayer identification number of decedent: [Deceased taxpayer's TIN]

[Name of deceased taxpayer] died on [date of death]. [Name of personal representative], the personal representative of [name of deceased taxpayer], hereby elects under Section 213(c)(1) of the Internal Revenue Code to treat medical expenses paid by [name of deceased taxpayer]'s estate during the one-year period beginning [day after date of date] as if these expenses were paid by [name of deceased taxpayer] at the time the medical services were provided in calculating the medical expense deduction allowed on [his/her] income tax return. The estate has not claimed, and will not claim, these expenses as a deduction on any federal estate tax return filed for the estate.

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What if the Taxpayer Pays Medical Expenses of a Deceased Spouse or Dependent?

- If the taxpayer paid medical expenses for a deceased spouse or dependent, include them as medical expenses on the Schedule A (Form 1040) in the year paid, whether they are paid before or after the decedent's death
- The expenses can be included if the person was a spouse or dependent either at the time the medical services were provided or at the time the expenses were paid

Remember

- Qualified medical expenses paid before death by the decedent aren't deductible if paid with a tax-free distribution from any Archer MSA, Medicare Advantage MSA, or health savings account

§ 454 Election for Savings Bonds

- Making an election under § 454(a) of the tax code and Rev Rule 68-145 allows the interest accrued through the date of death as taxable income on the decedent's final return
- Individuals who own series E or EE U.S. Savings Bonds (and HH bonds received in a tax-free exchange for E or EE bonds) normally do not elect to annually report the increase in the redemption price of these bonds as taxable income
- If a decedent did not make this election, the personal representative of the estate may do so and the previously unreported interest on the bonds will be included in gross income on the decedent's final income tax return

What Are the Benefits?

- This election presents a good planning opportunity for accelerating income on the decedent's final return
- This election also should be considered to take advantage of the lower tax rates on the decedent's final return if:
  - (1) the bonds are payable to the estate, with its very high tax rates; or
  - (2) the beneficiaries of the estate (or the designated beneficiaries of the bonds) are in a higher tax bracket than the decedent

Other Outcomes and Rules

- If the election is made, it must be made for all such bonds
- If the IRC § 454(a) election is not made, the unreported interest is considered income in respect of a decedent (IRD), taxable to the estate or beneficiary under IRC § 691(a)
- One advantage of not making this election is that the personal representative will have the ability to redeem the bonds over a period of several taxable years, potentially reducing the income tax consequences of the redemptions
- Regardless of whether this election is made, the bonds are includible in the decedent's gross estate at a value equal to the sum of the principal and accrued interest through the date of death

Making the Election

- A personal representative of an estate can elect to report all the accrued interest up to the date of death on the decedent's final income tax return
- Then, when an heir redeems the bonds, the only interest to report will be the interest that has accrued from the date of the decedent's death
- The election is also available if the savings bonds were held in a revocable trust at the time of the decedent's death

Making the Election

- ELECTION TO ACCRUE U.S. SERIES E BOND INCOME (RECOGNITION ON DECEDENT'S FINAL INCOME TAX RETURN) PURSUANT TO INTERNAL REVENUE CODE §454(a) AND REG. §1.454-1(a)
- The undersigned, Executor(s)/Administrator(s) of the above-referenced Estate, hereby elects under Internal Revenue Code §454(a) to recognize all previously unreported U.S. Series E Bond interest income in this decedent's final income tax return (Form 1040)

Making the Election

- This election must be made on a timely filed return (due date including extensions) or on an amended return
- Rev. Rul. 55-655, 1955-2
- However, the election cannot be made on an amended return filed after the expiration of the statutory period for filing the original return

Cash Method – Constructive Receipt of Income

- Interest from coupons on the decedent's bonds is constructively received by the decedent if the coupons matured in the decedent's final tax year, but had not been cashed
- Include the interest income on the final return
- Generally, a dividend is considered constructively received if it was available for use by the decedent without restriction
- If the corporation customarily mailed its dividend checks, the dividend was includible when received
- If the individual died between the time the dividend was declared and the time it was received in the mail, the decedent did not constructively receive it before death
- Do not include the dividend in the final return

Interest Accrued at Date of Death and Constructively Received before Death

- James Smith, a cash basis individual, invested $100,000 in a 4%, one year certificate of deposit on October 1, 2017, with interest credited to the account on a monthly basis
- James died on December 1, 2017
- The CD matured, and the principal and interest were paid to the estate on October 1, 2018
- The Form 1099 INT reported the entire $4,000 interest income in 2017 to James, using his social security number
- Since James was a cash basis taxpayer, but was in constructive receipt of the interest income earned up to the date of death, $667 of the $4,000 interest income should be reported on the final Form 1040

The Remaining Interest

- $3,333 is taxable to the estate in 2018
- Variation
- If the interest earned on the certificate of deposit was not credited to James account until the maturity date, none of the interest would be reported on the final Form 1040 because he was not in constructive receipt of the interest before then
- The entire $4,000 interest income would be reported on the estate's fiduciary income tax return
- The $667 interest earned through James's date of death is income in respect of a decedent (IRD)

Decedent's Capital Loss

- A capital loss sustained by a decedent during his or her last tax year (or carried over to that year from an earlier year) can be deducted only on the final income tax return filed for the decedent
- The capital loss limits still apply in this situation
- The decedent's estate cannot deduct any of the loss or carry it over to following years

Earned Income Tax Credit

- The client must be at least age 25 but under age 65 at the time of death
- If the taxpayers are married and filing a joint return, either the taxpayer or the spouse must be at least age 25 but under age 65 at the end of 2017
- It doesn't matter which spouse meets the age test, as long as one of the spouses does
- If the decedent was an eligible individual, they can claim the earned income credit on the decedent's final return even though the return covers less than 12 months
- If the allowable credit is more than the tax liability for the year, the excess is refunded

Credit for the Elderly or the Disabled

- This credit is allowable on a decedent's final income tax return if the decedent meets both of the following requirements in the year of death
- The decedent:
  - Was a “qualified individual,” and
  - Had income (adjusted gross income (AGI) and nontaxable social security and pensions) less than certain limits

Child Tax Credit

- If the decedent had a qualifying child, they may be able to claim the child tax credit on the decedent's final return even though the return covers less than 12 months
- They may be able to claim the additional child tax credit and get a refund if the credit is more than the decedent's liability

Adoption Credit

- Depending upon when the adoption was finalized, this credit may be taken on a decedent's final income tax return if the decedent:
  - Adopted an eligible child and paid qualified adoption expenses, or
  - Has a carryforward of an adoption credit from a prior year
- Also, if the decedent is survived by a spouse who meets the filing status of qualifying widow(er), unused adoption credit may be carried forward and used following the death of the decedent

General Business Tax Credit

- The general business credit available to a taxpayer is limited
- Any credit arising in a tax year beginning before 1998 that has not been used up can be carried forward for up to 15 years
- Any unused credit arising in a tax year beginning after 1997 has a 1-year carryback and a 20-year carryforward period
- After the carryforward period, a deduction may be allowed for any unused business credit
- If the taxpayer dies before the end of the carryforward period, the deduction generally is allowed in the year of death

Interest and Dividend Income

- Form(s) 1099 reporting interest and dividends earned by the decedent before death should be received and the amounts included on the decedent's final return
- A separate Form 1099 should show the interest and dividends earned after the date of the decedent's death and paid to the estate or other recipient that must include those amounts on its return – Under a Federal Identification Number

Dividends

- If an individual dies after dividends are declared but before the date of record, the dividends will be included in the gross income of the estate, because the estate will be the owner of record on the record date
- If the individual dies after the date of record but before the dividends are received, the dividends will be included in the individual's gross estate for estate tax purposes and will be IRD to the estate (or other recipient) when received for income tax purposes

Example

- Kerry Walnut died on August 18, 2017
- At the time of her death, she owned 100 shares of ABC Corporation common stock
- On July 15, ABC had declared a $15 per share dividend payable to shareholders of record on August 1, payable on August 10
- The Form 1099 DIV from ABC for 2017 included the August 1 dividend under Kerry's name and social security number

Example – cont'd

- Generally, dividends are constructively received when available for use by the decedent without restriction (i.e., on the date they are payable)
- Since Kerry died after the time the dividend was declared and after the payment date, the dividend is not taxable on her final individual return
- The executor may, however, consider reporting the dividend on Form 1040, Schedule B and then backing" it out, to comply with the IRS matching program for Forms 1040
- Furthermore, since Kerry died after the date of record, the dividends are IRD

Partnership Income

- The death of a partner closes the partnership's tax year for that partner
- Generally, it does not close the partnership's tax year for the remaining partners
- The decedent's distributive share of partnership items must be figured as if the partnership's tax year ended on the date the partner died
- To avoid an interim closing of the partnership books, the partners can agree to estimate the decedent's distributive share by prorating the amounts the partner would have included for the entire partnership tax year

Partnership Income

- On the decedent's final return, include the decedent's distributive share of partnership items for the following periods
  - 1. The partnership's tax year that ended within or with the decedent's final tax year (the year ending on the date of death)
  - 2. The period, if any, from the end of the partnership's tax year in (1) to the decedent's date of death

Example

- Jessica Smith was a partner in Smith Partnership and reported income on a calendar year
- The partnership uses a tax year ending June 30
- Jessica died August 31, 2017, and her estate established its tax year through August 31
- The distributive share of partnership items based on the decedent's partnership interest is reported as follows:

Reporting - Final Return for the Decedent

- January 1 through August 31, 2017, includes Smith Partnership items from:
  - (a) The partnership tax year ending June 30, 2017, and
  - (b) The partnership tax year beginning July 1, 2016, and ending August 31, 2017 (the date of death)

Example - Income Tax Return of the Estate

- September 1, 2016, through August 31, 2017, includes Smith Partnership items for the period September 1, 2016, through June 30, 2017
- Form 1041

S Corporation Income

- If the decedent was a shareholder in an S corporation, include on the final return the decedent's share of the S corporation's items of income, loss, deduction, and credit for the following periods:
  - 1. The corporation's tax year that ended within or with the decedent's final tax year (the year ending on the date of death)
  - 2. The period, if any, from the end of the corporation's tax year in (1) to the decedent's date of death

Self-Employment Income

- Include self-employment income actually or constructively received or accrued, depending on the decedent's accounting method
- For self-employment tax purposes only, the decedent's self-employment income will include the decedent's distributive share of a partnership's income or loss through the end of the month in which death occurred
- For this purpose, the partnership's income or loss is considered to be earned ratably over the partnership's tax year

Self-employment Tax

- Self-employment tax may be owed on the final return if either of the following applied to the decedent in the year of death:
  - 1. Net earnings from self-employment (excluding income described in (2)) were $400 or more; or
  - 2. Wages from services performed as a church employee were $108.28 or more

Community Property Income

- If the decedent was married and domiciled in a community property state, half of the income received and half of the expenses paid during the decedent's tax year by either the decedent or spouse may be considered to be the income and expenses of the other

HSA, Archer MSA, or Medicare Advantage MSA

- The treatment of an HSA (health savings account), an Archer MSA (medical savings account), or a Medicare Advantage MSA at the death of the account holder depends on who acquires the interest in the account
- If the decedent's estate acquires the interest, the fair market value (FMV) of the assets in the account on the date of death is included in income on the decedent's final return
- If a beneficiary acquires the interest, review Income in Respect of a Decedent rules

Coverdell Education Savings Account (ESA)

- Generally, the balance in a Coverdell ESA must be distributed within 30 days after the individual for whom the account was established reaches age 30, or dies, whichever is earlier
- The treatment of the Coverdell ESA at the death of an individual under age 30 depends on who acquires the interest in the account
- If the decedent's estate acquires the interest, the earnings on the account must be included on the final income tax return of the decedent

Accelerated Death Benefits

- Accelerated death benefits are amounts received under a life insurance contract before the death of the insured individual
- These benefits also include amounts received on the sale or assignment of the contract to a viatical settlement provider
- Generally, if the decedent received accelerated death benefits on the life of a terminally or chronically ill individual, whether on his or her own life or on the life of another person, those benefits are not included in the decedent's income

Insurance Reimbursements

- Insurance reimbursements of previously deducted medical expenses due a decedent at the time of death and later received by the decedent's estate are includible in the income tax return of the estate (Form 1041) for the year the reimbursements are received
- The reimbursements are also includible in the decedent's gross estate

Funeral Expenses

- Are not deductible at the individual level even as a medical expense
- No deduction for funeral expenses can be taken on the final Form 1040 of a decedent
- These expenses may be deductible for estate tax purposes on Form 706

Passive Activity Rules

- A passive activity is any trade or business activity in which the taxpayer does not materially participate
- Rental activities are passive activities regardless of the taxpayer's participation, unless the taxpayer meets certain eligibility requirements
- Individuals, estates, and trusts can offset passive activity losses only against passive activity income
- Passive activity losses or credits not allowed in 1 tax year can be carried forward to the next year

Passive Activity Rules

- If a passive activity interest is transferred because a taxpayer dies, the accumulated unused passive activity losses are allowed as a deduction against the decedent's income in the year of death
- Losses are allowed only to the extent they are greater than the excess of the transferee's (recipient of the interest transferred) basis in the property over the decedent's adjusted basis in the property immediately before death
- The part of the accumulated losses equal to the excess is not allowed as a deduction for any tax year

Alternative Minimum Tax (AMT)

- The tax laws give special treatment to certain types of income and allow special deductions and credits for certain types of expenses
- Use Form 6251, Alternative Minimum Tax—Individuals, to determine if this tax applies to the decedent
- If the decedent paid AMT in a previous year or had a credit carryforward, the decedent may be eligible for a minimum tax credit

Special Rules

- Tax Forgiveness for:
  - Armed Forces Members
  - Victims of Terrorism
  - Astronauts

Form 1041 – Estate Tax Return

Examples of Other Income that could be Reported on Form 1041

- Retirement plan assets
- IRA distributions
- Unpaid interest and dividends
- Salary
- Wages
- Sales commissions and more
- Savings accounts
- Certificate of Deposits
- Stocks
- Bonds
- Mutual Funds
- Rental property
- Interests in Partnerships, S Corporation or C Corporations or sole proprietorships

Income in Respect of a Decedent

- All income the decedent would have received had death not occurred that was not properly includible on the final return is income in respect of a decedent

Second

- An estate administrator may need to file income tax returns for the estate (Form 1041)
- To file this return the administrator will need to get a tax identification number for the estate (called an employer identification number or EIN)
- An estate is required to file an income tax return if assets of the estate generate more than $600 in annual income
- For example, if the decedent had interest, dividend or rental income when alive, then after death that income becomes income of the estate and may trigger the requirement to file an estate income tax return

Estate Operates a Business

- If the estate operates a business after the owner's death, the estate administrator is required to:
  - Secure a new employer identification number for the business
  - Report wages or income under the new EIN and
  - Pay any taxes that are due

When the Taxpayer Dies a New Entity Emerges

- The taxpayer's estate
- This is to ensure taxable income does not fall through the cracks
- Income is taxed either on:
  - The taxpayer's final return
  - The return of the beneficiary who acquires the right to receive the income, or
  - The estate when it receives $600 or more of income
- The chore of filing the taxpayer's final return usually falls to the executor or administrator of the estate, but if neither is named, a survivor must do it

Income Tax Return of an Estate—Form 1041

- An estate is a taxable entity separate from the decedent and comes into being with the death of the individual
- It exists until the final distribution of its assets to the heirs and other beneficiaries
- The income earned by the assets during this period must be reported by the estate
- The tax generally is figured in the same manner and on the same basis as for individuals, with certain differences in the computation of deductions and credits

Estates Income

- The estate's income, like an individual's income, must be reported annually on either a calendar or fiscal year basis
- The personal representative chooses the estate's accounting period upon filing the first Form 1041
- The estate's first tax year can be any period that ends on the last day of a month and does not exceed 12 months
- Generally, once chosen the tax year cannot be changed without IRS approval
- Also, on the first income tax return, the personal representative must choose the accounting method (cash, accrual, or other) to report the estate's income

Filing Requirements

- Every domestic estate with gross income of $600 or more during a tax year must file a Form 1041
- If one or more of the beneficiaries of the domestic estate are nonresident aliens, the personal representative must file Form 1041, even if the gross income of the estate is less than $600
  - A fiduciary for a nonresident alien estate with U.S. source income, including any income that is effectively connected with the conduct of a trade or business in the United States, must file Form 1040NR, U.S. Nonresident Alien Income Tax Return, as the income tax return of the estate
- A nonresident alien who was a resident of Puerto Rico, Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands for the entire tax year will, for this purpose, be treated as a resident alien of the United States

Schedule K-1 (Form 1041)

- The personal representative must file a separate Schedule K-1 (Form 1041), Beneficiary's Share of Income, Deductions, Credits, etc. or an acceptable substitute, for each beneficiary
- File these schedules with Form 1041
- The personal representative must ask each beneficiary to provide a taxpayer identification number (TIN), which must be reported on the Schedule K-1 (Form 1041)

Schedule K-1 (Form 1041)

- The personal representative must also give a Schedule K-1 (Form 1041), or a substitute, to each beneficiary by the date on which the Form 1041 is filed
- Failure to provide this payee statement can result in a penalty of $260 for each failure
- This penalty also applies if information is omitted or incorrect information is included on the payee statement

Liability of the Beneficiary

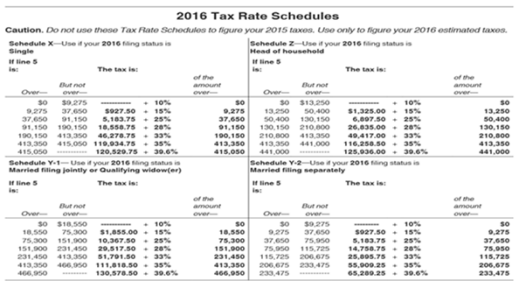
- The income tax liability of an estate attaches to the assets of the estate
- If the income is distributed or must be distributed during the current tax year, the income is reportable by each beneficiary on his or her individual income tax return
- If the income does not have to be distributed, and is not distributed but is retained by the estate, the income tax on the income is payable by the estate
- If the income is distributed later without the payment of the taxes due, the beneficiary can be liable for tax due and unpaid to the extent of the value of the estate assets received
- Income of the estate is taxed to either the estate or the beneficiary, but not to both

Estate Tax Structure

2016 Tax Rate Schedule

If taxable income is: Over—	But not over—	Its tax is:	Of the amount over—
$0	$2,550	15%	$0
2,550	5,950	$382.50 + 25%	2,550
5,950	9,050	1,232.50 + 28%	5,950
9,050	12,400	2,100.50 + 33%	9,050
12,400	-----	3,206.00 + 39.6%	12,400

Form 1040 Tax Structure



2016 Tax Rate Schedules

Caution. *Do not use these Tax Rate Schedules to figure your 2015 taxes. Use only to figure your 2016 estimated taxes.*

Schedule X—Use if your **2016** filing status is **Single**

If line 5 is: Over—	But not over—	The tax is:		of the amount over—
$0	$9,275	----------	+ 10%	$0
9,275	37,650	$927.50	+ 15%	9,275
37,650	91,150	5,183.75	+ 25%	37,650
91,150	190,150	18,558.75	+ 28%	91,150
190,150	413,350	46,278.75	+ 33%	190,150
413,350	415,050	119,934.75	+ 35%	413,350
415,050	----------	120,529.75	+ 39.6%	415,050

Schedule Z—Use if your **2016** filing status is **Head of household**

If line 5 is: Over—	But not over—	The tax is:		of the amount over—
$0	$13,250	----------	+ 10%	$0
13,250	50,400	$1,325.00	+ 15%	13,250
50,400	130,150	6,897.50	+ 25%	50,400
130,150	210,800	26,835.00	+ 28%	130,150
210,800	413,350	49,417.00	+ 33%	210,800
413,350	441,000	116,258.50	+ 35%	413,350
441,000	----------	125,936.00	+ 39.6%	441,000

Schedule Y-1—Use if your **2016** filing status is **Married filing jointly or Qualifying widow(er)**

If line 5 is: Over—	But not over—	The tax is:		of the amount over—
$0	$18,550	----------	+ 10%	$0
18,550	75,300	$1,855.00	+ 15%	18,550
75,300	151,900	10,367.50	+ 25%	75,300
151,900	231,450	29,517.50	+ 28%	151,900
231,450	413,350	51,791.50	+ 33%	231,450
413,350	466,950	111,818.50	+ 35%	413,350
466,950	----------	130,578.50	+ 39.6%	466,950

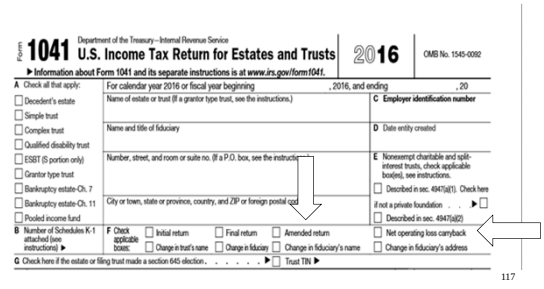
Schedule Y-2—Use if your **2016** filing status is **Married filing separately**

If line 5 is: Over—	But not over—	The tax is:		of the amount over—
$0	$9,275	----------	+ 10%	$0
9,275	37,650	$927.50	+ 15%	9,275
37,650	75,950	5,183.75	+ 25%	37,650
75,950	115,725	14,758.75	+ 28%	75,950
115,725	206,675	25,895.75	+ 33%	115,725
206,675	233,475	55,909.25	+ 35%	206,675
233,475	----------	65,289.25	+ 39.6%	233,475

Amended Return

- If an amended Form 1041 must be filed, use a copy of the form for the appropriate year and check the "Amended return" box
- Complete the entire return, correct the appropriate lines with the new information, and refigure the tax liability
- On an attached sheet, explain the reason for the changes and identify the lines and amounts changed
- Note
  - If the amended return results from a net operating loss carryback, check the "Net operating loss carryback" box

Form 1041



Form **1041** Department of the Treasury—Internal Revenue Service **U.S. Income Tax Return for Estates and Trusts** **2016** OMB No. 1545-0092

▶ Information about Form 1041 and its separate instructions is at *www.irs.gov/form1041*.

A Check all that apply:
- ☐ Decedent's estate
- ☐ Simple trust
- ☐ Complex trust
- ☐ Qualified disability trust
- ☐ ESBT (S portion only)
- ☐ Grantor type trust
- ☐ Bankruptcy estate-Ch. 7
- ☐ Bankruptcy estate-Ch. 11
- ☐ Pooled income fund

For calendar year 2016 or fiscal year beginning , 2016, and ending , 20

Name of estate or trust (If a grantor type trust, see the instructions.) — C Employer identification number

Name and title of fiduciary — D Date entity created

Number, street, and room or suite no. (If a P.O. box, see the instructions.) — E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.
- ☐ Described in sec. 4947(a)(1). Check here if not a private foundation . . ▶ ☐
- ☐ Described in sec. 4947(a)(2)

City or town, state or province, country, and ZIP or foreign postal code

B Number of Schedules K-1 attached (see instructions) ▶

F Check applicable boxes: ☐ Initial return ☐ Final return ☐ Amended return ☐ Net operating loss carryback ☐ Change in trust's name ☐ Change in fiduciary ☐ Change in fiduciary's name ☐ Change in fiduciary's address

G Check here if the estate or filing trust made a section 645 election . . . . . ▶ ☐ Trust TIN ▶

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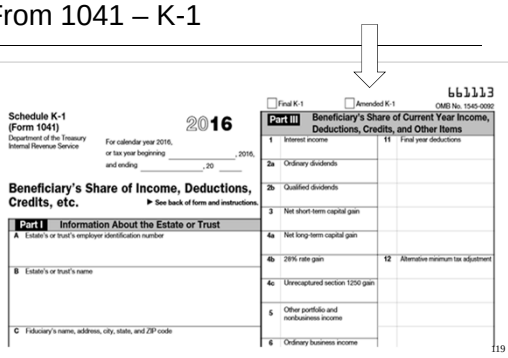
Amended Return

- If the amended return results in a change to income, or a change in distribution of any income or other information provided to a beneficiary, an amended Schedule K-1 (Form 1041) must be filed with Form 1041 and a copy given to each beneficiary
- Check the “Amended K-1” box at the top of Schedule K-1 (Form 1041)

From 1041 – K-1



Schedule K-1 (Form 1041) 2016

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning ____, 2016, and ending ____, 20____

Beneficiary's Share of Income, Deductions, Credits, etc. ▶ See back of form and instructions.

Final K-1 ☐ Amended K-1 ☐ OMB No. 1545-0092

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number

B Estate's or trust's name

C Fiduciary's name, address, city, state, and ZIP code

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	11	Final year deductions
2a	Ordinary dividends		
2b	Qualified dividends		
3	Net short-term capital gain		
4a	Net long-term capital gain		
4b	28% rate gain	12	Alternative minimum tax adjustment
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income		
6	Ordinary business income		

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Copy of the Will

- The personal representative does not have to include a copy of the decedent's will with Form 1041
- If the will is later requested, attach a statement to it indicating the provisions that determine how much of the estate's income is taxable to the estate or to the beneficiaries
- A statement signed by the personal representative under penalties of perjury that the will is a true and complete copy should also be attached

Income To Include

- The estate's taxable income generally is figured the same way as an individual's income, except, certain income received by the estate is not taxable
- Gross income of an estate consists of all items of income received or accrued during the tax year
- It includes dividends, interest, rents, royalties, gain from the sale of property, and income from business, partnerships, trusts, and any other sources

Gain (or loss) from Sale of Property

- During the administration of the estate, the personal representative may find it necessary or desirable to sell all or part of the estate's assets to pay debts and expenses of administration, or to make proper distributions of the assets to the beneficiaries
- While the personal representative may have the legal authority to dispose of the property, title to it may be vested in one or more of the beneficiaries

Character of the Asset

- The character of an asset in the hands of an estate determines whether gain or loss on its sale or other disposition is capital or ordinary
- The asset's character depends on how the estate holds or uses it
- If it was a capital asset to the decedent, it generally will be a capital asset to the estate
- If it was land or depreciable property used in the decedent's business and the estate continues the business, it generally will have the same character to the estate that it had in the decedent's hands

Character of the Asset

- If it was held by the decedent for sale to customers, it generally will be considered to be held for sale to customers by the estate if the decedent's business continues to operate during the administration of the estate
- The gain from a sale of depreciable property between an estate and a beneficiary of that estate will be treated as ordinary income, unless the sale or exchange was made to satisfy a pecuniary (cash) bequest

Sale of Decedent's Residence

- If the estate is the legal owner of a decedent's residence and the personal representative sells it in the course of administration, the tax treatment of gain or loss depends on how the estate holds or uses the former residence
- For example, if, as the personal representative, you intend to realize the value of the house through sale, the residence is a capital asset held for investment and gain or loss is capital gain or loss (which may be deductible)
- This is the case even though it was the decedent's personal residence and even if you did not rent it out

Sale of Decedent's Residence

- If, however, the house is not held for business or investment use (for example, if you intend to permit a beneficiary to live in the residence rent-free and then distribute it to the beneficiary to live in), and you later decide to sell the residence without first converting it to business or investment use, any gain is capital gain, but a loss is not deductible

Holding Period

- An estate (or other recipient) that acquires property from a decedent and sells or otherwise disposes of it is considered to have held that property for more than 1 year, no matter how long the estate and the decedent actually held the property

Basis of Property

- The basis used to figure gain or loss for property the estate receives from the decedent usually is its fair market value at the date of death
- If the estate purchases property after the decedent's death, the basis generally will be its cost

Basis of Inherited Property

- The basis of property inherited from a decedent is generally one of the following:
  - The FMV of the property on the date of the individual's death
  - The FMV on the alternate valuation date if elected by the personal representative
  - The value under the special-use valuation method for real property used in farming or other closely held business, if elected by the personal representative
  - The decedent's adjusted basis in land to the extent of the value excluded from the decedent's taxable estate as a qualified conservation easement

Basis of Appreciated Property

- If the taxpayer or the spouse gave appreciated property to an individual during the 1-year period ending on the date of that individual's death and the individual or spouse later acquired the same property from the decedent, the basis in the property is the same as the decedent's adjusted basis immediately before death
- Appreciated property is property that had an FMV greater than its adjusted basis on the day it was transferred to the decedent

Special-Use Valuation

- If the taxpayer is a qualified heir and they receive a farm or other closely held business real property from the estate for which the personal representative elected special-use valuation, the property is valued on the basis of its actual use rather than its FMV
- If the taxpayer is a qualified heir and they buy special-use valuation property from the estate, the basis is equal to the estate's basis (determined under the special-use valuation method) immediately before the purchase plus any gain recognized by the estate

Qualified Heir

- A taxpayer is a qualified heir if they are an ancestor (parent, grandparent, etc.), the spouse, or a lineal descendant (child, grandchild, etc.) of the decedent, a lineal descendant of the decedent's parent or spouse, or the spouse of any of these lineal descendants

Increased Basis for Special Use Valuation Property

- Under certain conditions, some or all of the estate tax benefits obtained by using the special-use valuation will be subject to recapture
- Generally, an additional estate tax must be paid by the qualified heir if the property is disposed of, or is no longer used for a qualifying purpose within 10 years of the decedent's death
- If the taxpayer must pay any additional estate (recapture) tax, they can elect to increase the basis in the special-use valuation property to its FMV on the date of the decedent's death (or on the alternate valuation date, if it was elected by the personal representative)
- If they elect to increase the basis, they must pay interest on the recapture tax for the period beginning 9 months after the decedent's death until the date they pay the recapture tax

S Corporation Stock

- The basis of inherited S corporation stock must be reduced if there is income in respect of a decedent attributable to that stock

Joint Interest

- Figure the surviving tenant's new basis of jointly owned property (joint tenancy or tenancy by the entirety) by adding the surviving tenant's original basis in the property to the value of the part of the property included in the decedent's estate
- Subtract from the sum any deductions for wear and tear, such as depreciation or depletion, allowed to the surviving tenant on that property

Example

- Dave Markus and his sister Anne owned, as joint tenants with right of survivorship, rental property they purchased for $60,000
- Anne paid $15,000 of the purchase price and Dave paid $45,000
- Under local law, each had a half interest in the income from the property
- When Dave died, the FMV of the property was $100,000
- Depreciation deductions allowed before Dave's death were $20,000
- Anne's basis in the property is $80,000 figured as follows:

Example

Anne's Original Basis	**$15,000**	**Totals**
Interest acquired from Dave ¾ of $100,000	$75,000	$90,000
Minus ½ of $20,000 Depreciation		$10,000
Anne's Basis		$80,000

Qualified Joint Interest

- One-half of the value of property owned by a decedent and spouse as tenants by the entirety, or as joint tenants with right of survivorship if the decedent and spouse are the only joint tenants, is included in the decedent's gross estate
- This is true regardless of how much each contributed toward the purchase price
- Figure the basis for a surviving spouse by adding one-half of the property's cost basis to the value included in the gross estate
- Subtract from this sum any deductions for wear and tear, such as depreciation or depletion, allowed on that property to the surviving spouse

Example

- Dan and Diane Gilbert owned, as tenants by the entirety, rental property they purchased for $60,000
- Dan paid $15,000 of the purchase price and Diane paid $45,000
- Under local law, each had a half interest in the income from the property
- When Diane died, the FMV of the property was $100,000
- Depreciation deductions allowed before Diane's death were $20,000
- Dan's basis in the property is $70,000 figured as follows:

Example

One-half of cost basis (1/2 of $60,000)	**$30,000**	**Totals**
Interest acquired from Diane (1/2 of $100,000)	$50,000	$80,000
Minus ½ of $20,000 Depreciation		$10,000
Dan's Basis		$70,000

Depreciation

- If a beneficiary can depreciate inherited property, the modified accelerated cost recovery system (MACRS) must be used to determine depreciation
- For joint interests and qualified joint interests, use the following computations to figure depreciation
  - The first computation is for the original basis in the property
  - The second computation is for the inherited part of the property

Depreciation

- Continue depreciating the original basis under the same method used in previous years
- Depreciate the inherited part using MACRS

Property Distributed in Kind

- The basis in property distributed in kind by a decedent's estate is the same as the estate's basis immediately before the distribution plus any gain, or minus any loss, recognized by the estate
- Property is distributed in kind if it satisfies the right to receive another property or amount, such as the income of the estate or a specific dollar amount
- Property distributed in kind generally includes any noncash property received from the estate other than the following:
  - A specific bequest (unless it must be distributed in more than three installments), or
  - Real property, the title to which passes directly to them under local law

Other Items of Income

- Some other items of income that a survivor or beneficiary may receive are:
  - Lump-sum payments received by the surviving spouse or beneficiary of a deceased employee
  - Accrued salary payments
  - Distributions from employee profit-sharing, pension, annuity, and stock bonus plans
- The treatment of these lump-sum payments depends on what the payments represent

Form 706
United States Estate (and Generation-Skipping Transfer) Tax Return

Third

- An estate administrator may need to file an estate tax return (Form 706)
- Estate tax is a tax on the transfer of assets from the decedent to their heirs and beneficiaries
- In general, estate tax only applies to large estates

Getting the IRS to File a Proof of Claim in a Probate Proceeding

- One responsibility of an estate administrator is to contact creditors that may have a claim against a decedent's estate
- The Internal Revenue Service understands that filing a proof of claim is time sensitive and that probate proceedings are administered in many different courts each with its own deadline
- To obtain a proof of claim (also called a creditors claim) from the IRS contact the Collection Advisory group for the area that includes the decedent's last address

Getting the IRS to File a Proof of Claim in a Probate Proceeding

- IRS Publication 4235, Collection Advisory Group Numbers and Addresses (PDF) has the information you will need
- If you make contact by phone, ask to speak to the Decedent Advisor
- If you write, address the correspondence to IRS Advisory Group, Attn: Decedent Advisor, at the appropriate address
- FAX numbers to send the correspondence are in Publication 4235
- Notices of probate, requests for a creditor claim or notices of distribution may be sent to the Collection Advisory group

Balance Dues

- You may learn that the decedent owes individual income tax (Form 1040 tax) from IRS correspondence in the decedent's records or from a Notice of Federal Tax Lien reflected on credit reports or in public records
- If the decedent owes individual income taxes, for the year of death or preceding years, you can request payoff information by visiting the nearest Taxpayer Assistance Center or by phone
- You will need to provide the authorization to represent the decedent to receive information

Balance Dues

- If tax is due on the decedent's individual income tax return for the year of death, or on any returns filed for preceding years, submit payment with the return
- If the administrator can't pay the amount due immediately, the estate may qualify for a payment plan or installment agreement

Estate Tax – Form 706

- The Estate Tax is a tax on the right to transfer property at death
- It consists of an accounting of everything owned or have certain interests in at the date of death
- The fair market value of these items is, not necessarily what was paid for them or what their values was when acquired
- The total of all of these items is the "Gross Estate“
- The includible property may consist of cash and securities, real estate, insurance, trusts, annuities, business interests and other assets

Estate Tax – Form 706

- Once you have accounted for the Gross Estate, certain deductions (and in special circumstances, reductions to value) are allowed in arriving at the "Taxable Estate“
- These deductions may include mortgages and other debts, estate administration expenses, property that passes to surviving spouses and qualified charities
- The value of some operating business interests or farms may be reduced for estates that qualify

Estate Tax – Form 706

- After the net amount is computed, the value of lifetime taxable gifts (beginning with gifts made in 1977) are added to this number and the tax is computed
- The tax is then reduced by the available unified credit
- Most relatively simple estates (cash, publicly traded securities, small amounts of other easily valued assets, and no special deductions or elections, or jointly held property) do not require the filing of an estate tax return
- A filing is required for estates with combined gross assets and prior taxable gifts exceeding:
- $1,500,000 in 2004 – 2005
- $2,000,000 in 2006 – 2008
- $3,500,000 for decedents dying in 2009
- $5,000,000 or more for decedent's dying in 2010 and 2011 (note: there are special rules for decedents dying in 2010)
- $5,120,000 in 2012
- $5,250,000 in 2013
- $5,340,000 in 2014
- $5,430,000 in 2015, and
- $5,450,000 in 2016
- $5,490,000n in 2017

Estate Tax – Form 706

- Beginning January 1, 2011, estates of decedents survived by a spouse may elect to pass any of the decedent's unused exemption to the surviving spouse
- This election is made on a timely filed estate tax return for the decedent with a surviving spouse
- Note that simplified valuation provisions apply for those estates without a filing requirement absent the portability election

Which Estates Must File?

- For decedents who died in 2016, Form 706 must be filed by the executor of the estate of every U.S. citizen or resident:
  - a. Whose gross estate, plus adjusted taxable gifts and specific exemption, is more than $5,450,000; or,
  - b. Whose executor elects to transfer the DSUE amount to the surviving spouse, regardless of the size of the decedent's gross estate
- To determine whether an individual must file a return for the estate under test "a" above, add:
  - The adjusted taxable gifts (as defined in section 2503) made by the decedent after December 31, 1976;
  - The total specific exemption allowed under section 2521 (as in effect before its repeal by the Tax Reform Act of 1976) for gifts made by the decedent after September 8, 1976; and
  - The decedent's gross estate valued as of the date of death

Portability of Deceased Spousal Unused Exclusion (DSUE)

- § 303 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 authorized estates of decedents dying after December 31, 2010, to elect to transfer any unused exclusion to the surviving spouse
- The amount received by the surviving spouse is called the deceased spousal unused exclusion, or DSUE, amount
- If the executor of the decedent's estate elects transfer, or portability, of the DSUE amount, the surviving spouse can apply the DSUE amount received from the estate of his or her last deceased spouse against any tax liability arising from subsequent lifetime gifts and transfers at death

Non Resident Surviving Spouse

- A nonresident surviving spouse who is not a citizen of the United States may not take into account the DSUE amount of a deceased spouse, except to the extent allowed by treaty with his or her country of citizenship
- If a surviving spouse who is not a citizen of the United States becomes a citizen and the § 2056A tax no longer applies to the assets of the Qualified Domestic Trust (QDOT), as of the date the surviving spouse becomes a U.S. citizen, the DSUE amount is considered final and is available for application by the surviving spouse

DSUE Amount Received from Predeceased Spouse(s)

- Complete section D of Form 706 if the decedent was a surviving spouse who received a DSUE amount from one or more predeceased spouse(s)
- Section D requests information on all DSUE amounts received from the decedent's last deceased spouse and any previously deceased spouses
- Each line in the chart should reflect a different predeceased spouse

How do I Elect Portability of the Deceased Spousal Unused Exclusion (DSUE) Amount to Benefit the Surviving Spouse?

- In order to elect portability of the decedent's unused exclusion amount (deceased spousal unused exclusion (DSUE) amount) for the benefit of the surviving spouse, the estate's representative must file an estate tax return (Form 706) and the return must be filed timely
- The due date of the estate tax return is nine months after the decedent's date of death, however, the estate's representative may request an extension of time to file the return for up to six months
- An automatic six month extension of time to file the return is available to all estates, including those filing solely to elect portability, by filing Form 4768 on or before the due date of the estate tax return

IRS Issues Simplified Procedure for Making a Late Portability Election

- IRS has just made it easier and much less costly to file a late Form 706 to elect portability
- Effective June 9, 2017, Rev. Proc. 2017-34, creates a simplified method for making a late portability election, as long as the estate was only required to file Form 706 for the purpose of electing portability
- This is a great benefit to the many executors (and their practitioners) who may miss this deadline

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Background

- Decedent's dying in 2017 can transfer (during their lifetime and/or at death) up to $5.49 million without federal estate or gift tax liability
- This is called the “basic exclusion” amount
- The American Taxpayer Relief Act of 2012 made permanent a “portability election,” which allows the estate of a decedent survived by a spouse to elect to transfer the deceased spouse’s unused exclusion amount (DSUE) to the surviving spouse

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Background

- If the estate elects portability, the estate of the surviving spouse (at his or her death) can apply the DSUE of the surviving spouse's last deceased spouse to the surviving spouse’s transfers
- In other words, portability ensures that a married couple can take full advantage of each spouse’s basic exclusion amount, without the requirement of special trusts or other estate planning techniques

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Rev. Proc. 2017-34

- The difficulty is that portability must be elected on a timely filed Form 706 (Estate Tax Return)
- This means that the Form 706 must be filed within 9 months after the decedent's death or by the last day of the period covered by a timely-filed extension request
- This doesn't always happen
- In 2014, IRS granted a simplified procedure for requesting an extension to elect portability by issuing Rev. Proc. 2014-18

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Rev. Proc. 2017-34

- This temporary relief, however, expired at the end of 2014
- Since then, the only option for relief available to an executor who missed the portability election deadline was to seek a private letter ruling
- Although IRS seemed to freely grant many extensions requested via private letter ruling, the estate had the burden and significant expense of the PLR procedure, and the IRS had the burden of processing all of the requests

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Rev. Proc. 2017-34

- Enter Rev. Proc. 2017-34
- Under this new procedure, IRS will grant automatic relief under Treas. Reg. § 301.9100-3 and extend the time to elect portability for certain qualified returns

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The Relief Applies Where:

- The decedent was a citizen of the U.S. at death, was survived by a spouse, and died after December 31, 2010
- The executor is not required to file an estate tax return under IRC § 6018(a) (based upon value of gross estate)(i.e. executor is only filing the Form 706 to elect portability) AND
- The executor did not file a timely Form 706

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Rev. Proc. 2017-34

- If these requirements, are met, the executor must file the complete and properly prepared Form 706 on or before the later of
- (1) January 2, 2018, OR
- (2) the second anniversary of the decedent's date of death
- The Form 706 must state at the top that the return is "FILED PURSUANT TO REV. PROC. 2017-34 TO ELECT PORTABILITY UNDER § 2010(c)(5)(A)"
- If the executor satisfies the above requirements, the Rev. Proc. 2017-34 states that the Form 706 filed by the estate will be considered to have been timely filed under Treas. Reg. § 20.2010-2(a)(1)

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Opting Out of Portability

- If you are filing Form 706 and do not wish to elect portability, then check the box indicated
- Do not complete sections B or C

New Form 8971

- The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 requires executors of an estate (Form 1041) and other persons who are required to file Form 706 series, United States Estate (and Generation-Skipping Transfer) Tax Return, to report the final estate tax value of property distributed or to be distributed from the estate, if the estate tax return is filed after July 2015
- Form 8971, along with a copy of every Schedule A, is used to report values to the IRS
- One Schedule A is provided to each beneficiary receiving property from an estate

Consistent Basis Reporting Between the Estate and Person(s) Acquiring Property from a Decedent

- 1. An estate (or other person) required to file an estate tax return after July 31, 2015, must provide a statement that includes the estate tax value of property reported on the return to both the IRS and any beneficiary who receives property from the estate
- 2. If the property increases the estate tax liability, the beneficiary must use a basis consistent with the estate tax value of the property to determine his or her gain or loss when the property is sold or deemed sold

Notice 2016-27

- Estates had until June 30, 2016 to file estate basis for estates after July 31, 2015
- After that they have 30 days after filing Form 706 or 1041

When can I Expect the Estate Tax Closing Letter?

- For all estate tax returns filed on or after June 1, 2015, estate tax closing letters will be issued only upon request by the taxpayer
- Please wait at least four months after filing the return to make the closing letter request to allow time for processing. To request a closing letter please call (866) 699-4083 and provide the following information:
  - Name of the decedent
  - Decedent's social security number
  - Date of Death
- The closing letter will be prepared and issued to the executor at the address of record
- For any additional questions about estate tax closing letter requests or the status of the return, call (866) 699-4083

For estate tax returns filed before June 1, 2015

For estate tax returns filed after January 1, 2015 and before June 1, 2015		
If...	**And...**	**Then:**
The filing threshold was met	• No portability election was made; or • The portability election not denied; or • The portability election was denied due to a late filing	A closing letter will be issued
The filing threshold was not met	• No portability election was made; or • The portability election was not denied	A closing letter will be issued
	The portability election was denied due to a late filing	No closing letter will be issued
The return was filed pursuant to Rev. Proc. 2014-18	The portability election was not denied	A closing letter will be issued
	The portability election was denied due to failure to meet the requirements	No closing letter will be issued

Is There an Alternative to the Estate Tax Closing Letter?

- Yes
- Account transcripts, which reflect transactions including the acceptance of Form 706 and the completion of an examination, may be an acceptable substitute for the estate tax closing letter
- Account transcripts are available online to registered tax professionals using the Transcript Delivery System (TDS) or to authorized representatives making requests using Form 4506-T

What Deductions are Available to Reduce the Estate Tax?

- Marital Deduction: One of the primary deductions for married decedents is the Marital Deduction
  - All property that is included in the gross estate and passes to the surviving spouse is eligible for the marital deduction
  - The property must pass "outright."
  - In some cases, certain life estates also qualify for the marital deduction
- Charitable Deduction: If the decedent leaves property to a qualifying charity, it is deductible from the gross estate
- Mortgages and Debt
- Administration expenses of the estate.
- Losses during estate administration

Administration Expenses

- Expenses of administering an estate can be deducted either from the gross estate in figuring the federal estate tax on Form 706 or from the estate's gross income in figuring the estate's income tax on Form 1041
- However, these expenses cannot be claimed for both estate tax and income tax purposes
- In most cases, this rule also applies to expenses incurred in the sale of property by an estate (not as a dealer)

Administration Expenses

- To prevent a double deduction, amounts otherwise allowable in figuring the decedent's taxable estate for federal estate tax on Form 706 will not be allowed as a deduction in figuring the income tax of the estate or of any other person unless the personal representative files a statement, in duplicate, that the items of expense, as listed in the statement, have not been claimed as deductions for federal estate tax purposes and that all rights to claim such deductions are waived

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Administration Expenses

- One deduction or part of a deduction can be claimed for income tax purposes if the appropriate statement is filed, while another deduction or part is claimed for estate tax purposes
- The statement can be filed with the income tax return or at any time before the expiration of the statute of limitations that applies to the tax year for which the deduction is sought
- This waiver procedure also applies to casualty losses incurred during administration of the estate

Examples

- Executor's commissions
- Attorney's fees
- Miscellaneous administration expenses include such expenses as court costs, surrogates' fees, accountants' fees, appraisers' fees, clerk hire, etc
- Expenses necessarily incurred in preserving and distributing the estate, including the cost of storing or maintaining property of the estate if it is impossible to effect immediate distribution to the beneficiaries, are deductible to the extent permitted by § 20.2053-1
- Expenses for preserving and caring for the property may not include outlays for additions or improvements; nor will such expenses be allowed for a longer period than the executor is reasonably required to retain the property

Examples

- Expenses for selling property of the estate are deductible to the extent permitted by § 20.2053-1 if the sale is necessary in order to pay the decedent's debts, expenses of administration, or taxes, to preserve the estate, or to effect distribution
- The phrase “expenses for selling property” includes brokerage fees and other expenses attending the sale, such as the fees of an auctioneer if it is reasonably necessary to employ one

Examples

- Where an item included in the gross estate is disposed of in a bona fide sale (including a redemption) to a dealer in such items at a price below its fair market value, for purposes of this paragraph there shall be treated as an expense for selling the item whichever of the following amounts is the lesser:
- (i) The amount by which the fair market value of the property on the applicable valuation date exceeds the proceeds of the sale, or
- (ii) the amount by which the fair market value of the property on the date of the sale exceeds the proceeds of the sale

Examples

- Expenses incurred in defending the estate against claims are deductible and include:
- Costs relating to the arbitration and mediation of contested issues
- Costs associated with defending the estate against claims (whether or not enforceable)
- Costs associated with reaching a negotiated settlement of the issues

Transfer Certificate Filing Requirements for U.S. Citizens

- The following transfer certificate filing requirements apply to the estate of a non-resident decedent who was a citizen of the United States (including U.S. citizens with dual citizenship) at the time of the decedent's death, and who died after December 31, 1976
- A transfer certificate is not required for property administered by an executor or administrator appointed, qualified and acting within the United States
- More information at: https://www.irs.gov/businesses/small-businesses-self-employed/transfer-certificate-filing-requirements-for-us-citizens

CALT Website

http://www.calt.iastate.edu/

Tour of the CALT Website

The Scoop – Upcoming Dates

- July 5
- July 19
- August 2
- August16
- August 30
- September 13
- October 4
- October 18
- November 1
- Held at 8:00 am and 12:00 pm Central time

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Up Coming Webinars
http://www.calt.iastate.edu/calendar-node-field-seminar-date/month

- Webinar: The Fundamentals of Trusts - June 22
- Payment of Wages with Commodities and Gifting Grain - June 27
- Handling Tax Returns for Religious Groups – Amish and Mennonite
- June 29
- Net Operating Loss Basics July 6 and 7th
- Form 1099 Preparation July 13
- Tax Basis for Farmers July 24
- Reconstructing Records for Tax Compliance August 17
- Uber/Lyft Drivers and Business Expenses August 22
- Tax Reform and New Law Update October 17
- New Partnership Audit Rules October 19

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Iowa Taxpayer Advocate

- Online Free Webinar: 4th Annual Taxpayer Advocate Town Hall Meeting - June 28, 2017

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Upcoming Seminars – Mark Your Calendar – Final Dates

- S Corporation – July 20-21, 2017, Live and Webinar
- September 21, 2017 Ag Law Seminar, Live and Webinar
- September 22, 2017 Agricultural Business and Tax Planning Seminar, Live and Webinar
- Retirement and Social Security Issues(Webinar) = October 10-11, 2017

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The Schedule is Finalized for the 44th Annual Federal Income Tax Schools

- November 2-3, 2017 – Maquoketa, Iowa – Centerstone Inn and Suites
- November 6-7, 2017 – Le Mars, Iowa – Le Mars Convention Center
- November 8-9, 2017 – Atlantic, Iowa – Cass County Community Center
- November 9-10, 2017 – Mason City, Iowa – North Iowa Area Community College
- November 16-17, 2017 – Ottumwa, Iowa – Indian Hills Community College
- November 20-21, 2017 – Waterloo, Iowa – Hawkeye Community College
- December 11-12, 2017 – Ames, Iowa and Live Webinar – Quality Inn and Suites

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