



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.25.14

DECEMBER 10, 2021

EFFECTIVE DATE

(12-10-2021)

PURPOSE

- (1) This transmits revised IRM 4.25.14, Estate and Gift Tax, Miscellaneous Procedures.

MATERIAL CHANGES

- (1) The definition to Estate and Gift Notebook in IRM 4.25.14.1.4 (1) was revised to remove the comparison to RGS.
- (2) The acronym table located in 4.25.14.1.4, Terms/Definitions/Acronyms, paragraph (2) was revised to remove to acronyms that are no longer being used in IRM 4.25.14.
- (3) IRM 4.25.2.2 paragraph (3) was revised to add a citation to 26 CFR 1.6081-5(a).
- (4) IRM 4.25.2.2. paragraph (8) was deleted.
- (5) IRM 4.25.14.2.3 paragraphs (2) through (4), the last sentence in paragraph (5), paragraph (6) and paragraph (9) were removed. This content is in IRM 4.25.2.8.2.4, Extension of Time to File and IRC 6161 Extension of Time to Pay.
- (6) IRM 4.25.14.3, paragraph (4) is a new list of related Collection IRMs.
- (7) IRM 4.25.14.3.2, Liens Arising Under IRC 6324A, is being obsoleted. Guidance and procedures related to collection activity for liens arising under IRC 6234A is in IRM 5.5.1, and IRMs 5.5.5 through IRM 5.5.9.
- (8) IRM 4.25.14.3.3, Liens Arising Under IRC 6324B, is being obsoleted. Guidance and procedures related to collection activity for liens arising under IRC 6234A is in IRM 5.5.1, and IRMs 5.5.5 through IRM 5.5.9.
- (9) IRM 4.25.14.4, Issuing Transfer Certificates in Estate Tax Cases, is being obsoleted. E&G Campus procedures related to the issuance of Transfer Certificates are located in IRM 4.25.2.5.11, Transfer Certificate Requests.
- (10) 4.25.14.6, Revenue agent Referrals to Estate and Gift Tax, is being obsoleted. Revenue agent referral procedures are located in IRM 4.25.3.9, Consultations and Referrals from Other Business Units.
- (11) The language in IRM 4.25.14.8.1 paragraph (2) was moved to IRM 4.25.14.8, Reopening Procedures for Estate Tax Returns, paragraph (3).
- (12) The title of IRM 4.25.14.8.1 was changed from "Reopening a Surveyed or Accepted as Filed Return" to "Opening a Surveyed or Accepted as Filed Return".
- (13) The phrase "as a result of" was changed to "after" in the first sentence of IRM 4.25.14.8.1 paragraph (1).
- (14) The phrase "attempting to reopen" was changed to "reopening" in IRM 4.25.14.8.2 paragraph (1).
- (15) IRM 4.25.14.8.1(2) was revised by changing "administrative error" to "administrative omission". The IRM language matches the latest published version of Letter 627.

- (16) IRM 4.25.14.9, Suspicious Activity Reports paragraph (2) sentence two was revised to update the FinCEN Gatekeeper.
- (17) IRM 4.25.14.9 paragraphs (4) through (10) are being obsoleted. This information is contained in IRM 4.26.4, FinCEN Query and IRM 4.10.4.7, Access to Suspicious Activity Reports (SARS) for Title 26 Civil Tax Purposes.
- (18) The table located in paragraph (1) of IRM 4.25.14.10, Signature Authority was revised to provide direct citations to each delegation order.
- (19) IRM 4.25.14.11, AIMS/ERCS Codes in Estate and Gift Tax Examinations, is being obsoleted. This content is available in Document 6209.
- (20) IRM 4.25.14.11.1, Activity Codes used in Estate and Gift Tax Examinations, is being obsoleted. This content is available in Document 6209 and Document 6036.
- (21) IRM 4.25.14.11.2, Aging Reason Codes for Estate and Gift Tax Examinations, is being obsoleted. This content is available in IRM 4.4.1-1, AIMS Procedures, Reference Guide.
- (22) IRM 4.25.14.11.3, MFT Codes used for Estate and Gift Tax Examinations, is being obsoleted. This content is available in Document 6209.
- (23) IRM 4.25.14.11.4, Project Codes in Estate and Gift Tax Examinations, is being obsoleted. This content is available in Document 6209.
- (24) IRM 4.25.14.11.5, Source Codes Used in Estate and Gift Tax Examinations, is being obsoleted. This content is available in Document 6209 and in IRM 4.4.34.4.16, AIMS Procedures and Processing Instructions, Updating/Correcting AIMS Database, Source Code.
- (25) IRM 4.25.14.11.6, Status Codes Used in Estate and Gift Tax Examinations, is being obsoleted. This content is available in Document 6209.
- (26) IRM 4.25.14.11.7, Tracking Codes used in Estate and Gift Tax Examinations, is being obsoleted. This content is available in Document 6209 and also available on the Estate and Gift SharePoint.
- (27) IRM 4.25.14.12, Employee Protection Codes and Document Indicators, is being obsoleted. The content in this IRM subsection can be found in IRM 25.4.1, Employee Protection, Potentially Dangerous Taxpayer and IRM 25.4.2, Employee Protection, Caution Upon Contact Taxpayer.
- (28) IRM 4.25.14.13, Identity Theft, is being obsoleted. The content in this IRM can be found in IRM 25.23.9, BMF Identity Theft Procedures.
- (29) IRM 4.25.14.14, Social Security (SSN/TIN) Elimination and Reduction Plan, is being obsoleted. The content in this IRM can be found in IRM 10.5.1.7.14, Social Security Elimination and Reduction (SS ER).
- (30) Editorial changes have been made throughout this IRM. Website addresses, legal references, and IRM references were reviewed and updated as necessary.

EFFECT ON OTHER DOCUMENTS

The July 30, 2019 publication of IRM 4.25.14 is superseded.

AUDIENCE

This section contains instructions and guidelines for Small Business/Self Employed Estate and Gift Tax Specialty Programs employees.

Kellie L. McCann
Director, Specialty Examination Policy
Small Business/Self-Employed

4.25.14

Miscellaneous Procedures

Table of Contents

4.25.14.1 Program Scope and Objectives

4.25.14.1.1 Background

4.25.14.1.2 Authority

4.25.14.1.3 Program Objectives and Review

4.25.14.1.4 Terms/Definitions/Acronyms

4.25.14.1.5 Related Resources

4.25.14.2 Extensions of Time to File and/or Pay

4.25.14.2.1 Extension of Time to File Estate Tax Returns — IRC 6081

4.25.14.2.2 Extension of Time to File Gift Tax Returns - IRC 6081

4.25.14.2.3 Extension of Time to Pay Estate Tax - IRC 6161

4.25.14.2.4 Estate Tax Extension of Time to Pay - IRC 6163

4.25.14.2.5 Other Extensions

4.25.14.3 Processing of Requests for Discharge of Property Subject to the Estate Tax Lien

4.25.14.3.1 Liens Arising Under IRC 6324

4.25.14.3.2 Coordination Required Between Estate and Gift Field and Advisory

4.25.14.3.3 Records Processing and Disposition

4.25.14.4 Requests for Discharge from Personal Liability Under Internal Revenue Code Sections 2204 or 6905

4.25.14.5 Information Referrals

4.25.14.6 Reopening Procedures for Estate Tax Returns

4.25.14.6.1 Opening a “Surveyed” or “Accepted as Filed” Return

4.25.14.6.2 Reopening an Examined Return

4.25.14.7 Suspicious Activity Reports

4.25.14.8 Signature Authority

4.25.14.1
(07-30-2019)
Program Scope and Objectives

- (1) **General Overview** - This IRM provides information about miscellaneous estate and gift tax examiner responsibilities, estate and gift tax IRM sections, and forms used in the examination of estate, gift and generation skipping transfer tax returns and claims.
- (2) **Purpose** - This IRM explains Estate and Gift examiner responsibilities so that managers, senior-level officials and estate, gift and generation skipping transfer tax return examiners will be better equipped to prepare and submit accurate reports.
- (3) **Audience** - This IRM is for Estate and Gift Specialty Tax managers, examiners and personnel at the Campus who process estate, gift and generation skipping transfer tax returns, refunds and claims.
- (4) **Policy Owner** - Director, Examination - Specialty Policy is responsible for the administration, procedures and updates related to the technical guidance and information processing steps and methods specific to Estate and Gift Tax examiner responsibilities, IRM subsections, and forms created for the examination of returns and claims.
- (5) **Program Owner** - Director, Examination - Specialty Examination owns Estate and Gift Tax Examination.
- (6) **Primary Stakeholders** - Advisory Collections, Appeals, Counsel, Estate and Gift Tax Workload Selection and Delivery, Specialty Examination, and SB/SE Examination Quality & Technical Support are the primary stakeholders for this IRM.

4.25.14.1.1
(07-13-2018)
Background

- (1) This IRM subsection provides miscellaneous procedures associated with the examination of estate, generation skipping transfer tax and gift tax returns. This IRM contains guidance related to extensions, liens and IDRS codes unique to estate and gift tax examinations, and links to various Servicewide resources.

4.25.14.1.2
(07-30-2019)
Authority

- (1) Estate and gift tax examiners and managers assigned to examine and oversee the examination of estate and gift tax returns and issues are responsible for complying with servicewide policies and authorities set forth in IRM 1.2.1.5., Servicewide Policies and Authorities, Policy Statements for the Examining Process.
- (2) Examination of estate and gift tax returns should be conducted in a manner that will promote public confidence as stated in the Mission of the Service. See IRM 1.2.1.2.1, and Policy Statement 1-1.
- (3) Policy Statement 4-52 established a general guideline that examination and processing of returns should be completed within 18 months of the filing date. See IRM 1.2.1.5.18, Policy Statement 4-52.
- (4) Estate and gift examiners and managers assigned to examine and oversee the examination of international estate and gift tax returns and issues are responsible for complying with all applicable servicewide examination delegation orders and SB/SE delegation orders. A table summarizing estate and gift delegation orders is available at IRM 4.25.14.10, Estate and Gift Tax, Miscellaneous Procedures, Signature Authority.

- (5) Section 3504 of RRA 98, Public Law 105-206 requires the Service to include an explanation of the examination and collection process, as well as information about assistance from the Taxpayer Advocate with any first report/notice of proposed deficiency. Pub 3498, The Examination Process, must be used for this purpose.
- (6) Statement of Procedural Rules 601.506 requires that examiners must forward any correspondence (or copy), discussions, reports and/or other material to the taxpayer at the same time it is sent to the representative.
- (7) The Form 706 return instructions and CFR 20.6018-4, CFR 25.6019-3, and CFR 25.6019-4 list required filing documents.

4.25.14.1.3
(07-30-2019)

Program Objectives and Review

- (1) The National Quality Review System (NQRS) is a web-based review system used by Estate and Gift Tax Policy, Estate and Gift Tax Examination Management and Estate and Gift Tax Quality Measures and Analysis (QMA) to generate and review reports analyzing national quality performance based upon standardized quality attributes set forth in Document 12499, Estate and Gift Tax Examination Embedded Quality Job Aid. NQRS report data is compiled by QMA on a quarterly basis, but **ad hoc** reports may be obtained monthly. The use of NQRS is explained in additional detail in IRM 4.25.1.11, Manager Embedded Quality Review and Specialty Exam National Embedded Quality Review Programs.
- (2) Operational Reviews and related NQRS reports are conducted by Territory Managers and the Chief, Estate and Gift to measure national adherence to quality standards and managerial performance and/or oversight.
- (3) Customer (i.e. taxpayer) satisfaction reports are generated by SB/SE Operation Support Research on a quarterly basis. These reports provide masked taxpayer narratives that are responsive to a pre-defined set of survey questions. The quarterly survey reports are used to identify areas for examination quality improvement.
- (4) Frequent front-line manager reviews are conducted under the Examination Quality Review System (EQRS), with the frequency based on annual personnel requirements.

4.25.14.1.4
(12-10-2021)

Terms/Definitions/ Acronyms

- (1) The following table sets forth Estate and Gift Tax program specific terms and definitions:

Term	Definition
Estate and Gift Tax Notebook Job Aid (Estate and Gift Notebook)	This is a proprietary system comprised of an MS Office Access database and Excel files used by Estate and Gift Tax to generate reports and examination process and documentation (EPD).

Term	Definition
Substitute for Return	IRC 6020(b) authorizes the creation of a substitute for Return (SFR). The SFR procedures allow the Service to establish an account when the taxpayer refuses or is unable to file a tax return and information received indicates that a return should be filed. For example, a tax return prepared by an examiner when a taxpayer fails to file a return.

(2) The following table sets forth commonly used acronyms:

Term	Acronym
Aging Reason Code	ARC
Outside Fee Appraisal	OFA
Privacy, Governmental Liaison and Disclosure	PGLD
Project Code	PC
Substitute for Return	SFR
Transaction Code	TC
Workload Selection and Delivery	WSD

4.25.14.1.5
(07-30-2019)

Related Resources

(1) The Estate and Gift Tax program is required to follow all servicewide examination procedures and those set forth in SBSE examining process IRM. The following IRM subsections provide additional information relating to the processing, classification and examination of Estate and Gift Tax program returns and claims:

- IRM 4.25.1, Estate and Gift Tax, Estate and Gift Tax Examinations
- IRM 4.25.2, Campus Procedures for Estate Tax
- IRM 4.25.3, Planning, Classification and Selection
- IRM 4.25.4, International Estate and Gift Tax Examinations
- IRM 4.25.5, Technical Guidelines for Estate and Gift Tax Issues
- IRM 4.25.6, Report Writing Guide for Estate and Gift Tax Examinations
- IRM 4.25.7, Estate and Gift Tax Penalty and Fraud Procedures
- IRM 4.25.8, Delinquent Returns and SFR Procedures
- IRM 4.25.9, Requests for Abatement, Claims for Refund and Doubt as to Liability in Estate and Gift Tax Cases
- IRM 4.25.10, Case Closing Procedures
- IRM 4.25.11, Special Examination Procedures
- IRM 4.25.12, Valuation Assistance
- IRM 4.25.13, Appeals, Mediation and Settlement Procedures
- IRM 4.2.8, Guidelines for SB/SE National Quality Review

- IRM 25.6.1, Statute of Limitations Processes and Procedures
- IRM 1.2.65, Servicewide Policies and Authorities, Small Business/Self Employed Delegations of Authority

4.25.14.2
(07-30-2019)

**Extensions of Time to
File and/or Pay**

- (1) This section provides an introduction to extensions of time to file and to pay which are available to the taxpayer in estate and gift tax matters.
- (2) A request for an extension of time to file must be made by the due date of the return. A request for an extension that is not timely may be granted upon a showing of good and sufficient cause. See IRM 4.25.2.8.2.2, Estate and Gift Tax, Campus Estate and Gift, Extension Procedures.

4.25.14.2.1
(07-30-2019)

**Extension of Time to
File Estate Tax Returns
— IRC 6081**

- (1) IRC 6081 provides for the extension of time to file estate and gift tax returns. A Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, is generally due within nine months after the date of death. An estate may file Form 4768 , Application for Extension of Time to File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes, to apply for an extension of time to file. See IRM 4.25.2.8.2, Form 4768, Application for Extension of Time to File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes.
- (2) An estate may apply for an automatic six month extension of time to file a Form 706, Form 706-A, Form 706-D, Form 706-NA or Form 706-QDT. Unless the executor is out of the country, the maximum extension of time to file is six months from the due date of the applicable return.
- (3) A request for an extension of time to file must be made by the due date of the return.
- (4) No acknowledgement of the extension approval is sent to the taxpayer.
- (5) An extension of time to file does not extend the time to pay.
- (6) If the extension is **approved** , Transaction Code (TC) 460 will be present on transcripts followed by the approved extension date.
- (7) If the extension is **denied** , Transaction Code (TC) 460 will be present on transcripts followed by "Denied".

4.25.14.2.2
(12-10-2021)

**Extension of Time to
File Gift Tax Returns -
IRC 6081**

- (1) A Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, is generally due on April 15 following the close of the calendar year in which the gift was made. If the donor dies in the calendar year in which the donor made a gift, the Form 709 is due on or before the due date of the estate tax return (including extensions), or on April 15 of the year following the calendar year of the gift, whichever date is earlier.
- (2) Except as provided in IRC 6081 with respect to certain U.S. citizens and residents living outside the United States, an extension of time to file a gift tax return may not exceed six months from the due date of the return. See 26 CFR 1.6081-1(a).
- (3) A request for an extension of time to file must be made by the original due date of the return, without extensions other than the automatic extension for U.S. citizens and residents abroad provided in 26 CFR 1.6018-5(a).

- (4) Form 8892, Application for Automatic Extension of Time to File Form 709 and/or Payment of Gift/Generation-Skipping Transfer Tax, is used to request an automatic six month extension of time to file a gift tax return where the taxpayer is not also requesting an extension to file Form 1040. The Form 1040 extension request, Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, is used to request an automatic six month extension of time to file both the Forms 1040 and 709.

Note: A BMFOLT transcript TC 460 is not present if the extension is filed on Form 4868.

- (5) Upon a timely request, an automatic six month extension of time to file a gift tax return will be granted. See 26 CFR 25.6081-1. No acknowledgement of the automatic extension approval is sent to the taxpayer where the extension request was timely filed. Campus procedures relating to the processing of Extensions of Time to File are located at IRM 4.25.2.8.2.4, Extension of Time to File and IRC 6161 Extension of Time to Pay.
- (6) All Form 8892 requests for extensions of time to file postmarked after the due date of the Form 709 will be denied.
- (7) An extension of time for filing a Form 709 does not extend the time for payment of tax. See 26 CFR 25.6081-1(c).
- (8) If the extension is **approved**, Transaction Code (TC) 460 will be present on transcripts followed by the approved extension date.
- (9) If the extension is **denied**, Transaction Code (TC) 460 will be present on transcripts followed by "Denied".

4.25.14.2.3
(12-10-2021)
**Extension of Time to
Pay Estate Tax - IRC
6161**

- (1) IRC 6161(a)(1) permits an extension of time for payment of the amount shown, or required to be shown on an estate tax return, for a reasonable period not to exceed 12 months in the case of estate tax from the date the payment is due. See IRM 4.25.2.8.2.4, Extension of Time to File and IRC 6161 Extension of Time to Pay.
- (2) A donor may apply for an extension of time to pay gift tax or as to a deficiency of gift tax. See Form 1127, Application for Extension of Time for Payment of Tax Due to Undue Hardship, and IRM 5.5.5.9, Extension Requests to Pay Gift Tax. All extension requests are processed at the Estate and Gift Operation at the E&G Campus. See IRM 4.25.2.8.2.4, Extension of Time to File and IRC 6161 Extension of Time to Pay.
- (3) If the extension is **approved**, Transaction Code (TC) 468 (estate) or Transaction Code (TC) 470 (gifts) will be present on transcripts followed by the approved extension date. See IRM 4.25.2.8.2.5 paragraph (4).
- (4) If the extension is **denied**, Transaction Code (TC) 468 (estate) or Transaction Code (TC) 470 (gifts) will be present on transcripts followed by the original due date. See IRM 4.25.2.8.2.5 paragraph (4).

4.25.14.2.4
(12-10-2021)

**Estate Tax Extension of
Time to Pay - IRC 6163**

- (1) IRC 6163(a) permits an extension for paying estate tax on the value of a reversionary or remainder interest in the property included in the gross estate. The time for payment will be postponed for six months after the termination of the preceding interest in the property. See IRM 4.25.2.8.2.6, Estate Tax Extension of Time to Pay Under IRC 6163, for E&G Campus processing procedures.
- (2) IRC 6163(b) permits the extension of time for paying the estate tax that was granted under IRC 6163(a) if the estate can show reasonable cause for the additional extension. The extension may be for up to an additional three years from the expiration date of the postponement provided for in IRC 6163(a). Neither tax nor accrued interest is due and payable until six months after the precedent interest terminates.
- (3) An estate that elected to postpone that part of the estate tax attributable to a reversionary or remainder interest may prepay a portion of the outstanding liability without payment of accrued interest or acceleration of the remaining tax. See Rev. Rul. 83-103.
- (4) See IRM 4.25.11.11.5, Preparing Agreed Case with 6163 Election Case File for CCP and IRM 4.25.11.12, Foreign Bank and Financial Account Report (FBAR), for additional examination guidance.

4.25.14.2.5
(07-30-2019)

Other Extensions

- (1) Form 2758, Application for Extension of Time to File Certain Excise, Income, Information, and Other Returns, replaced Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns. Filers of Forms 706-GS(D), 706-GS(T), 1041, use Form 2758 to request an extension of time to file.

4.25.14.3
(12-10-2021)

**Processing of Requests
for Discharge of
Property Subject to the
Estate Tax Lien**

- (1) This section provides guidance with respect to the various types of estate and gift tax liens as to which discharge may be applied for by taxpayers, their representatives, or other interested parties. Under IRC 6324, liens arise by operation of law as to unpaid estate or gift tax. Responsibility for consideration of the release of property from these unrecorded liens will fall to the Advisory Estate Tax Lien Group. See IRM 5.5.8, Advisory Responsibilities for Processing Estate Tax Liens.
- (2) Discharge of property may be requested from the special recorded liens that are unique to the estate tax area:
 - The lien under IRC 6324A that is provided to secure the interest of the government as to assessed tax for which the payment is deferred due to an election under IRC 6166.
 - The lien under IRC 6324B that is provided to secure the interest of the government as to potential recapture tax imposed under IRC 2032A(c) and IRC 2057.
- (3) Estate and Gift Examination will provide written communication of their recommendations on issues such as filing requirements; potential audit issues, the Revenue Agent Report (RAR), or proper calculations of recapture tax returns within 10 business days.
- (4) See the following Collection IRMs for guidance regarding collection in estate, gift and generation-skipping transfer tax cases:
 - IRM 5.5.1, Decedent and Estate Tax Accounts
 - IRM 5.5.5, Processing Estate and Gift Tax Extensions

- IRM 5.5.6, Collection on Accounts with Special Estate Tax Elections
- IRM 5.5.7, Collecting Estate and Gift Tax Accounts
- IRM 5.5.8, Advisory Responsibilities for Processing Estate Tax Liens
- IRM 5.5.9, Administrative and Judicial Actions for Estate Taxes

4.25.14.3.1
(12-10-2021)
Liens Arising Under IRC 6324

- (1) IRC 6324(a) imposes, by operation of law, a lien for the estate tax upon the gross estate of a decedent for a period of ten years from the date of death (excepting such part of the gross estate as is used for the payment of charges against the estate and expenses of administration, allowed by any court having jurisdiction thereof). This lien is a “silent” lien and is distinguished from many other types of tax liens in that no recordation is required.
- (2) IRC 6324(b) imposes, by operation of law, a lien upon all gifts made during a period for which a gift tax return is filed and existing for a term of ten years from the date the gifts are made. Further, if the gift tax is not paid when due, the donee of any gift is personally liable for the gift tax due to the extent of the value of the gift. This lien, like the IRC 6324(a) lien, is also an unrecorded lien.
- (3) Certain exceptions exist, and application may be made to IRS by the taxpayer for the discharge of specific items of property from the liens imposed under IRC 6324. This is most commonly encountered with respect to the statutory lien imposed with respect to estate tax under IRC 6324(a). If application is made on behalf of an estate, it must be filed by the personal representative of the estate, or a party properly authorized for representation pursuant to a valid power of attorney.
- (4) Form 4422, Application for Certificate Discharging Property Subject to Estate Tax Lien, is submitted to request a discharge under IRC 6325(c). Form 792, United States Certificate Discharging Property Subject to Estate Tax Lien, is used to approve the discharge of specifically described property under IRC 6325(c).

4.25.14.3.2
(08-07-2015)
Coordination Required Between Estate and Gift Field and Advisory

- (1) In any case where the Advisory Estate Tax Lien Group is called upon to process a request for a release of any of the estate tax liens specified in this section, or a discharge of specific property subject thereto or for the subordination of any of these liens, and the amount of the government’s lien interest cannot be determined, Advisory will consult with Estate and Gift for assistance in determining the amount of this interest.
- (2) The Advisory Estate Tax Lien Group may submit requests for assistance to Estate and Gift using the SRS referral system. Estate and Gift will provide a written response within ten business days of receipt of the SRS referral.

4.25.14.3.3
(07-30-2019)
Records Processing and Disposition

- (1) All lien and discharge request files processed by Advisory will be maintained by Advisory.
- (2) Copies of lien discharge requests processed by Estate and Gift field groups, prior to fiscal year 2017, will be associated with the original return files.
- (3) Form 792, United States Certificate Discharging property Subject to Estate Tax Lien, and relate material which may have been inadvertently retained by the Estate and Gift field groups, are subject to the same records destruction as Advisory. Refer to Document 12990, Records Control Schedule (RCS) 28, Item 44 (Job No. N1-58-93-2) on the National Archives and Records Administration

(NARA) approved records disposition to prevent unauthorized/unlawful destruction of records. Also refer to IRM 1.15, Records and Information Management series for records creation, maintenance, retention and disposition guidance. Before any lien discharge is destroyed, current IDRS transcripts should be obtained to ensure that there is no balance owed on the account. Where such material remains in possession of a field Estate and Gift group, a best practice is to destroy only after the assessment SOL has expired and with assurance that there is no outstanding balance on the tax module.

4.25.14.4
(07-30-2019)

**Requests for Discharge
from Personal Liability
Under Internal Revenue
Code Sections 2204 or
6905**

- (1) An executor or other fiduciary may file a Form 5495, Request for Discharge from Personal Liability Under Internal Revenue Code Section 2204 or 6905, with respect to an estate or gift tax return. If the Service makes no notification of determination of estate tax within nine months of the received dated of the prompt assessment request, the executor is automatically discharged from personal liability (applying only to him in his personal capacity and his personal assets). However, if a fiduciary other than an executor files a Form 5495, the IRS has six months to notify the fiduciary. See IRC 2204 and IRC 6905.
 - a. The executor remains liable for assets of the estate that are in his possession or control. Also, the discharge does not release the estate assets from the lien for estate tax, if a deficiency is determined to be due.
 - b. If the executor has applied for an extension of time in paying tax under IRC 6161, IRC 6163, or IRC 6166, a discharge from personal liability may still be requested.
 - c. The Service has nine months to notify the executor of the amount of bond required to be posted. If no notice is given, the executor is discharged from personal liability.
- (2) IRM 4.25.2.5.7, Form 5495, contains Campus' procedures for processing Form 5495 applications for discharge of personal liability filed pursuant to IRC 2204 and IRC 6905.

4.25.14.5
(07-30-2019)

Information Referrals

- (1) IRM 4.1.1.6.11, Information Referrals, details the process for employees to refer leads and information from newspapers, informants, practitioners or other sources to the Campus to determine if there is audit potential.
- (2) Any credible leads or information with audit potential relating to underreporting or nonfiling of estate and gift taxes should be referred to the Campus. Sources of leads and information can include informants (e.g., co-executors, beneficiaries, family members, employees and neighbors) and articles and reports from newspapers, magazines, internet or other mass media.
- (3) Forward Form 3949, Information Report Referral, and the information detailed in IRM 4.1.1.6.11, Information Referrals to:

Internal Revenue Service
Attention: Estate and Gift Team 102
201 West Rivercenter Blvd., Stop 824-G
Covington, KY 41011

- 4.25.14.6
(07-30-2019)
Reopening Procedures for Estate Tax Returns
- (1) This section provides examination reopening procedures for estate tax returns where a Letter 627, Estate Tax Closing Letter, was issued.
 - (2) The estate and gift tax reopening case procedures vary depending on the manner in which the case was originally closed. Before an examiner requests that a case be reopened, the examiner should determine whether the case was accepted as filed, surveyed, or examined.
 - (3) Reopening criteria include substantial error, fraud, malfeasance, and serious administrative omission. Examples of reopening criteria, also called case return criteria, can be found at IRM 4.8.2.9.1, Case Return Criteria.
- 4.25.14.6.1
(12-10-2021)
Opening a “Surveyed” or “Accepted as Filed” Return
- (1) A return in which Letter 627, Estate Tax Closing Letter was issued after being “Accepted as Filed” or “Surveyed” can be opened for examination with the group manager’s approval. When making an examination determination regarding this type of return, the reopening criteria should be considered. The taxpayer should be advised of the reasons for the examination.
- 4.25.14.6.2
(12-10-2021)
Reopening an Examined Return
- (1) The following procedures should be followed when reopening an examined case:
 - a. Requests must include a completed Form 4505, Reopening Memorandum, including a narrative.
 - b. Requests must be submitted via secure e-mail to the group manager for review. All attachments and additional information will be included in the same secure e-mail. Upon concurrence with the examiner’s determination the group manager will forward the e-mail to the Territory Manager for signature approval.
 - c. The Territory Manager will forward the completed electronic form to Chief, Estate and Gift, for signature.
 - d. The completed signed form will be returned to the Territory Manager.
- 4.25.14.7
(12-10-2021)
Suspicious Activity Reports
- (1) General guidance on the use of Suspicious Activity Reports (SAR) in Title 26 civil income tax cases is provided in IRM 4.26.14, Bank Secrecy Act, Disclosure. See also IRM 4.10.4.7.
 - (2) Employees in the estate and gift program authorized to electronically access SAR information are designated Gatekeepers. The designated FinCEN Gatekeeper is in E&G Workload Selection and Delivery.
 - (3) Employees in the estate and gift program authorized to receive and use SAR information include:
 - a. Estate Tax Attorneys
 - b. Estate Tax Examiners
 - c. Estate and Gift Group Managers
 - d. Paralegals
 - e. Legal Assistants
 - f. Policy Attorney-Advisors and Analysts
 - g. WSD Attorney-Advisors and Analysts

4.25.14.8
(12-10-2021)

(1) The following table provides the proper signature authority placed on each of the following:

Signature Authority

Document	Signature Authority
Closing Letter (Letter 627)	IRM 1.2.2.5.12, Delegation Order 4-14
Consent (Form 872)	IRM 1.2.2.14.2, Delegation Order 25-2 (Rev. 3) (formerly DO-25-2 and DO-42, Rev. 28), Authority to Execute Agreements to Extend the Period of Limitations on Assessment or Collection and to Accept Form 900, Tax Collection Waiver
Statutory Notice of Deficiency	IRM 1.2.2.5.8, Delegation Order 4-8 (Rev. 2) , Authority to Issue Notices of Deficiency or Execute Agreements to Rescind Notices of Deficiency
Substitute for Return Certification: IRC 6020(b) (Form 13496)	IRM 1.2.2.6.2, Delegation Order 5-2 (Rev. 2), Prepare or Execute Returns
Notice of Federal Estate Tax Lien: IRC 2032A	IRM 1.2.2.6.4, Delegation Order 5-4 (Rev. 3), Federal Tax Lien Certificates
Notice of Statute Expiration (Form 895)	IRM 25.6.23.5.3, Form 895 Completion Requirements for Area Officer Managers and Applicable Campus Operation Managers
Statute Expiration Report (Form 3999)	IRM 25.6.1.13.2.8
Closing Agreements	IRM 1.2.2.5.21, Delegation Order 4-25 (Rev. 2), Supplements Delegation Order No. 97] Settlement Offers, Closing Agreements, and Settlement Agreements under Section 6224(c) in Cases with Technical Advisor (TA) Program Issues and Appeals Technical Guidance Program (Compliance Coordinated and Appeals Coordinated) Issues
30-day Letter (Letter 950)	IRM 1.2.65.4.34, SBSE 1-23-55, Authority to Sign Thirty Day Letters
Reopening Memo (Form 4505) and Reopening (Letter 939)	IRM 1.2.1.5.1, Policy Statement 4-3, Cases closed by District Directors or Service Center Directors will not be reopened except under certain circumstances
Authority to Discharge an Executor From Personal Liability for Certain Income, Estate and Gift Taxes and to Issue Estate Tax Closing Letters	IRM 1.2.25.12, Delegation Order 4-14 (Rev. 1) (formerly DO-134, Rev. 2), Authority to discharge an executor from personal liability for any deficiency for estate tax, and from personal liability for the decedent's income and gift taxes, when requested
Issuance of Transfer Certificates in Certain Estate Tax Cases	IRM 1.2.2.5.14, Delegation Order 4-16 (Rev. 2) (formerly DO-144, Rev. 3), Issuance of Transfer Certificates in Certain Estate Tax Cases

Document	Signature Authority
Jeopardy and Termination Assessments	IRM 1.2.2.5.18, Delegation Order 4-21 (Rev. 2) (formerly DO-219, Rev. 4), Jeopardy and Termination Assessments

