



**October 4, 2011**

## **More Time to file Estate Taxes for the Wealthy**

The IRS is giving until early next year for family members of those with large estates who died last year to file estate tax returns and pay any taxes due. Also, there will be penalty relief for certain beneficiaries of these estates on their 2010 federal income tax returns. This leeway has been given to enable beneficiaries of large estates (worth more than \$1 million) more time to comply with changes in tax law put into effect last year.

If you are the beneficiary of a large estate that wants to opt out of the estate tax, you now will have until Tuesday, January 17th, 2012, to file Form 8939. The previous due date was November 15th, 2011. No statement or form needs to be filed with the IRS to have this new due date apply because this is a change in the specified due date rather than an extension.

If you need more time to file Form 4768, you can apply for an extension and will be given until March 2012 to file your estate tax returns and pay any estate tax due. Normally, a six-month filing extension is automatically granted to estates filing this form, but extensions of time to pay are granted only for good reasons. As a result, most 2010 estates that timely file Form 4768 will have until Monday, March 19th, 2012 to file Form 706 or Form 706-NA.

For estates of those who passed away after December 16th, 2010 and before January 1st, 2011, the due date is 15 months after the date of death. No late-filing or late-payment penalties will be due, though interest still will be charged on any estate tax paid after the original due date.

If you are an individual, estate or trust that has already filed a 2010 income tax return or obtained an extension and plan to file by the October 17th, 2011 extended due date, special penalty relief is provided for you. Late payment and negligence penalty relief applies to persons inheriting property from a decedent dying in 2010, who then sells the property in 2010 but improperly reports gain or loss because they did not know whether the estate made the carryover basis election.

Details are in Notice 2011-76, posted on [www.irs.gov](http://www.irs.gov).