

Internal Revenue Service

Number: **201908018**

Release Date: 2/22/2019

Index Number: 2032A.00-00, 9100.00-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:B4

PLR-122920-18

Date:

October 30, 2018

Re:

Legend

Decedent =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Spouse =

Administrator Ad Litem =

Attorney =

Accounting Firm =

Dear :

This letter responds to your authorized representative's letter of July 9, 2018, requesting an extension of time pursuant to § 301.9100-3 of the Procedure and Administration Regulations to elect to specially value qualified real property under § 2032A of the Internal Revenue Code.

The facts and representations submitted are summarized as follows:

Decedent died on Date 1. Decedent named Spouse as personal representative of his estate. Decedent's estate included farmland. Spouse retained Attorney to prepare and timely file Decedent's Form 706, United States Estate (and Generation-Skipping

Transfer) Tax Return. Attorney failed to advise Spouse that the Decedent's estate had an option to elect to specially value the farmland under § 2032A. On Date 2, Spouse timely filed Form 706; however, she failed to make the § 2032A election. On Date 3, Court removed Spouse as personal representative of Decedent's estate and appointed Administrator Ad Litem to complete the administration of Decedent's estate. Administrator Ad Litem retained Accounting Firm to prepare and file any additional tax returns necessary to completion of the estate administration. Accounting Firm failed to advise Administrator Ad Litem of actions he could take to request an extension of time to make the § 2032A election. On Date 4, Administrator Ad Litem filed a supplemental Form 706 to correct errors on the original Form 706; however, he failed to make the § 2032A election.

LAW AND ANALYSIS

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

Section 2032A(a)(1) provides, generally, that if the decedent was (at the time of his death) a citizen or resident of the United States, and the executor elects the application of § 2032A and files the agreement referred to in § 2032A(d)(2), then, for purposes of chapter 11, the value of qualified real property shall be its value for the use under which it qualifies under § 2032A(b)(1), as qualified real property.

Section 2032A (d)(1) provides that the election under § 2032A shall be made on the return of tax imposed by § 2001. Such elections shall be made in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevocable.

Section 301.9100-1(c) provides that the Commissioner may grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Code, except subtitles E, G, H, and I.

Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time to make an election whose due date is prescribed by a regulation (and not expressly provided by statute).

A request for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

Section 301.9100-3(b)(1)(v) provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer reasonably relied on a qualified tax professional, including a tax professional employed by the taxpayer, and the tax professional filed to make, or advise the taxpayer to make, the election.

Based upon the facts submitted and the representations made, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been satisfied. Accordingly, we grant an extension of time of 120 days from the date of this letter to elect to specially value the farmland under § 2032A. The election should be made on a supplemental Form 706 filed with the Cincinnati Service Center at the following address: Internal Revenue Service, Cincinnati Service Center – Stop 82, Cincinnati, Ohio 45999. A copy of this letter should be attached to the supplemental Forms 709. A copy is enclosed for this purpose.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we express or imply no opinion on whether the estate qualifies for special use valuation under § 2032A.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, we have sent a copy of this letter to your authorized representative.

Sincerely,

Associate Chief Counsel
(Passthroughs & Special Industries)

By: Lorraine E. Gardner
Lorraine E. Gardner
Senior Counsel, Branch 4
Office of the Associate Chief Counsel
(Passthroughs & Special Industries)

Enclosures (2)

Copy of this letter
Copy for § 6110 purposes