

## Part III - Administrative, Procedural, and Miscellaneous

### Date for Compliance with Consistent Basis Reporting Between Estate and Person Acquiring Property from Decedent

Notice [2016-19](#)

#### **SECTION 1: PURPOSE**

On July 31, 2015, the President of the United States signed into law the *Surface Transportation and Veterans Health Care Choice Improvement Act of 2015*, Public Law 114-41, 129 Stat. 443 (Act). Section 2004 of the Act added new sections 1014(f) and 6035. On August 21, 2015, the Treasury Department and the IRS issued Notice 2015-57, [2015-36](#) IRB 294. That notice delayed until February 29, 2016, the due date for any statements required under section [6035\(a\)\(3\)\(A\)](#) to be provided before February 29, 2016. This notice provides that executors and other persons required to file or furnish a statement under section [6035\(a\)\(1\)](#) or (a)(2) before March 31, 2016, need not do so until March 31, 2016. This notice is being issued in order to provide executors and such other persons the opportunity to review the proposed regulations to be issued under sections [1014\(f\)](#) and [6035](#) before preparing a Form 8971 and any Schedule A.

#### **SECTION 2: BACKGROUND**

Section [1014\(f\)](#) provides rules requiring that the basis of certain property acquired from a decedent, as determined under section [1014](#), may not exceed the value of that property as finally determined for federal estate tax purposes, or if not finally determined, the value of that property as reported on a statement made under section [6035](#).

Section [6035](#) imposes new reporting requirements with regard to the value of property included in a decedent's gross estate for federal estate tax purposes.

Section [6035\(a\)\(1\)](#) provides that the executor of any estate required to file a return under section [6018\(a\)](#) must furnish, both to the Secretary and to the person acquiring any interest in property included in the decedent's gross estate for federal estate tax purposes, a statement identifying the value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

Section [6035\(a\)\(2\)](#) provides that each person required to file a return under section [6018\(b\)](#) must furnish, both to the Secretary and to each other person who holds a legal or beneficial interest in the property to which such return relates, a statement identifying the information described in section [6035\(a\)\(1\)](#)

Section [6035\(a\)\(3\)\(A\)](#) provides that each statement required to be furnished under section [6035\(a\)\(1\)](#) or (a)(2) is to be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of (i) the date which is 30 days after the date on which the return under section [6018](#) was required to be filed (including extensions, if any) or (ii) the date which is 30 days after the date such return is filed.

Section [6035\(b\)](#) authorizes the Secretary to prescribe such regulations as necessary to carry out section [6035](#). Section [7805\(a\)](#) provides generally that the Secretary shall prescribe all needful rules and regulations for the enforcement of this title, including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue. Section [7805\(b\)\(2\)](#) provides that regulations may

apply retroactively if they are issued within 18 months of the date of the enactment of the statutory provision to which they relate.

### **SECTION 3: GUIDANCE**

Statements required under sections [6035\(a\)\(1\)](#) and (a)(2) to be filed with the IRS or furnished to a beneficiary before March 31, 2016, need not be filed with the IRS and furnished to a beneficiary until March 31, 2016. The Treasury Department and IRS recommend that executors and other persons required to file a return under section 6018 wait to prepare the statements required by section [6035\(a\)\(1\)](#) and (a)(2) until the issuance of proposed regulations by the Treasury Department and the IRS addressing the requirements of section [6035](#). The Treasury Department and the IRS expect to issue proposed regulations under sections [1014\(f\)](#) and [6035](#) very shortly.

### **SECTION 4: EFFECTIVE DATE**

This notice is effective on February 11, 2016. This notice applies to executors of the estates of decedents and to other persons who are required under section [6018\(a\)](#) or (b) to file a return if that return is filed after July 31, 2015.

### **DRAFTING INFORMATION**

The principal author of this notice is Eliezer Mishory of the Office of the Associate Chief Counsel (Procedure & Administration). For further information regarding this notice, please contact Theresa Melchiorre at (202) 317-6859 (not a toll-free call).