



February 25, 2021

Mr. Mark J. Mazur
Acting Assistant Secretary for Tax Policy
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Mr. Eric Hylton
Commissioner, Small Business/Self-Employed
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Ms. Lisa M. Piehl
Program Manager, Estate and Gift Tax Policy
Internal Revenue Service
SE:S:DCE:E:HQ:SP:E>P
21040 Califa Street
Woodland Hills, CA 91367

RE: Comments on Closing Letters for Forms 706 and 706-NA (Proposed Regulations REG-114615-16)

Dear Messrs. Mazur, Rettig, Hylton and Ms. Piehl:

The American Institute of CPAs (AICPA) is providing comments on proposed regulations ([REG-114615-16](#), published December 31, 2020) that will establish a new user fee for authorized persons who wish to request the issuance of IRS Estate Tax Closing Document (Letter 627), also referred to as an estate tax closing letter.

Background

The closing letter is issued to an executor of a decedent's estate for which a Form 706, U.S. Estate (and Generation-Skipping Transfer) Tax Return, or Form 706-NA, United States Estate (and Generation-Skipping Transfer) Tax Return (Estate of nonresident not a citizen of the U.S.), was filed. The closing letter provides the executor evidence that the IRS has accepted Form 706 as filed or after an adjustment to which the executor had agreed. In the past, the closing letter was automatically sent to every estate that filed a Form 706 or Form 706-NA and generally was received within four to six months after the filing of the return or completion of an estate tax audit, whichever occurred later. Beginning in 2015, the IRS discontinued automatically sending out estate tax closing letters to every estate that filed a Form 706 or Form 706-NA. Since then, executors and tax practitioners have been frustrated with the current procedure for obtaining these letters.

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In the preamble to the proposed regulations, the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) acknowledge the importance of receiving the estate tax closing letter when administering and closing a decedent's estate, as we previously outlined in our [letter dated January 11, 2016](#). Treasury and IRS also acknowledge that practitioners have provided comments on the inconvenient and burdensome procedure for requesting a closing letter.

While the proposed regulations address only the imposition of the user fee for obtaining an estate tax closing letter, the preamble describes the procedure that the IRS contemplates implementing for requesting a closing letter and paying the user fee. As contemplated, an estate's authorized representative will initiate a one-step, web-based procedure to request the closing letter and to pay the user fee.

Recommendation

The AICPA suggests adding a box to check to the next version of Form 706 and Form 706-NA for the executor to request the closing letter together with submitting the user fee at the time of filing the Form 706 or Form 706-NA.

Until a box can be added to Form 706 and Form 706-NA, we suggest that the IRS allow executors to request a closing letter either by a hand-written request on the top of the first page of Form 706 or Form 706-NA or by attaching a request statement to Form 706 or Form 706-NA when it is filed accompanied by the payment of the user fee, hopefully via an updated pay.gov interface.

Analysis

Checking a box and paying the user fee at the time the Form 706 or Form 706-NA is filed is the simplest manner for an executor to request a closing letter from both the standpoint of the estate's representatives and the IRS. As explained in our letter dated January 11, 2016, this recommendation would simplify the closing letter process, provide less opportunity for processing errors, and provide notice to the IRS personnel reviewing the Form 706 or Form 706-NA that the executor requests the closing letter.

We believe our recommendation would add efficiency for the IRS as the agency: (1) would not have to process and input a separate web-based request into the system; (2) could note the request at the time the return is reviewed by the examiner; and (3) would not need to research and follow up on an executor's web-based request months later.

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interest since 1887. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses. We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further. If you have any questions, please contact Eileen Sherr, AICPA Director – Tax Policy & Advocacy, at (202) 434-9256 or Eileen.Sherr@aicpa-cima.com; Michael Rudegeair, Chair of the AICPA Trust, Estate, and Gift Tax Technical Resource Panel, at (212) 863-1369 or Michael.Rudegeair@anchin.com; or me at (612) 397-3071 or Chris.Hesse@CLAconnect.com.

Sincerely,

A handwritten signature in blue ink that reads "Christopher W. Hesse". The signature is fluid and cursive, with a prominent flourish at the end.

Christopher W. Hesse, CPA
Chair, AICPA Tax Executive Committee

cc: Ms. Juli Ro Kim, Attorney Advisor, Office of Associate Chief Counsel (Passthroughs and Special Industries), IRS
Ms. Catherine Veihmeyer Hughes, Estate and Gift Tax Attorney Adviser, Office of Tax Legislative Counsel, Office of Tax Policy, Department of the Treasury