



TaxNewsFlash

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Notice 2017-12: IRS account transcript as substitute for estate tax closing letter

The IRS today released an advance version of Notice 2017-12 which provides that—for purposes of determining if an IRS examination of an estate tax return has been completed—an IRS account transcript can substitute for an IRS estate tax closing letter on IRS Letter 627.

[Notice 2017-12](#) [PDF 21 KB] clarifies that an IRS account transcript is a substitute for an estate tax closing letter and is available at no charge. Estates and their authorized representatives can request an account transcript (in lieu of an estate tax closing letter) by filing Form 4506-T, *Request for Transcript of Tax Return*.

Transcript code “421”

Today’s IRS notice explains that executors, local probate courts, state tax departments, and others traditionally have relied on estate tax closing letters (Letter 627) for confirmation that the IRS has completed its examination of the estate tax return and that the IRS file has been closed.

However, for estate tax returns filed on or after June 1, 2015, the IRS changed its policy, and now only issues an estate tax closing letter if requested—provided that the request is made no earlier than four months after the filing of an estate tax return. Today’s notice provides a telephone number for request of estate tax closing letters.

The IRS notice explains that an account transcript that shows a transaction code of “421” can serve as the functional equivalent of an estate tax closing letter. Still, the IRS may reopen its audit of the estate tax return after the account transcript is coded with “421” just as the IRS could after the issuance of a closing letter.

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