



ESTATE AND TRUST DIVISION Bulletin

Volume I Issue 6

BY: STANISLAWSKI AND COMPANY, INC.

A Certified Public Accounting and Business Consulting Firm

4 Minor Children Inherit their Father's Life's Work and Subsequently \$270,000 in Penalties

The brother of the decedent (the decedent had 4 minor children) was referred to Stanislawski & Company, Inc. by a local estate tax attorney. Still in shock, the uncle of the minor children had contacted the estate tax attorney 10 months after the murder of his brother. The uncle (who became our client) was the executor of his brother's estate and he had filed two months late, the Application for Extension to file the Estate tax return Form 706. Stanislawski and Company, Inc. thoroughly researched the tax rules and regulations and then prepared a well written letter to the IRS resulting in:

- 1) an approval of the extension to file the Estate Tax Return (Form 706)
- 2) because the extension was approved, it also allowed us to utilize IRC 6166 Installment Tax Provision which delayed paying over \$1.2 million in estate taxes for four years (and only paying 2% interest). Beginning in the 5th year, the \$1.2 million was then allowed to be paid in installments over another 10 years
- 3) the above IRS approval saved the family from paying the late filing penalty
- 4) the above IRS approval also eliminated the late payment penalty of 25% of the tax owed
- 5) the above IRS approval eliminated the interest charged on the penalties

By Stanislawski & Company, Inc. preparing this letter and receiving approval for the extension to file the estate tax return, Stanislawski & Company, Inc. was able to save the family from paying all of the following penalties, interest and taxes:

Late filing penalty	230,170
Late payment penalty	25,575
Interest	16,790
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Subtotal Interest and Penalties (Savings to our client)	\$272,535
Entire Estate Tax That Would Have Been Due Immediately	\$1,200,000
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Total Amount That Would Have Been Due Immediately	\$1,472,535

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Stanislawski & Company, Inc.

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