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March 27, 2006

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**DEALING WITH ESTATE ASSETS DISCOVERED
AFTER THE FILING OF THE FEDERAL ESTATE TAX RETURN**

In a Private Letter Ruling, the IRS has ruled that an estate can make a marital deduction election on a Supplemental Federal Estate Tax Return ("Return") filed to report the inclusion of an asset which the Executor was unaware of at the time of the filing of the Return. In the Private Letter Ruling, the estate filed a timely Estate Tax Return (Form 706) and make a QTIP election for two trusts. After the filing of the Estate Tax Return, the Executor discovered a promissory note that inadvertently had not been included on Form 706. The Executor filed a Supplemental Form 706, reported the inclusion of the promissory note, listed the promissory note on Schedule M, and elected a QTIP election for that asset in one of the marital trusts. The IRS ruled that this was a proper election of the marital deduction.

MY RECOMMENDATION: Sometimes mistakes or inadvertent omissions can be corrected on an Amended or Supplemental Federal Estate Tax Return and Tennessee Inheritance Tax Return. Use this approach when necessary.

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