

## Internal Revenue Service, Treasury

## § 20.6161-1

(b) *Effective/applicability date.* Paragraph (a) of this section is applicable to returns and claims for refund filed after December 31, 2008.

[T.D. 9436, 73 FR 78450, Dec. 22, 2008]

### § 20.6151-1 Time and place for paying tax shown on the return.

(a) *General rule.* The tax shown on the estate tax return is to be paid at the time and place fixed for filing the return (determined without regard to any extension of time for filing the return). For provisions relating to the time and place for filing the return, see §§ 20.6075-1 and 20.6091-1. For the duty of the executor to pay the tax, see § 20.2002-1.

(b) *Extension of time for paying—(1) In general.* For general provisions relating to extension of time for paying the tax, see § 20.6161-1.

(2) *Reversionary or remainder interests.* For provisions relating to extension of time for payment of estate tax on the value of a reversionary or remainder interest in property, see § 20.6163-1.

(3) *Interest in a closely held business.* For provisions relating to payment in installments of the estate tax attributable to inclusion in the gross estate of an interest in a closely held business, see §§ 20.6166-1 through 20.6166-4.

(c) *Payment with obligations of the United States.* Treasury bonds of certain issues which were owned by the decedent at the time of his death or which were treated as part of his gross estate under the rules contained in § 306.28 of Treasury Department Circular No. 300, Revised (31 CFR part 306), may be redeemed at par plus accrued interest for the purpose of payment of the estate tax, as provided in said section. Whether bonds of particular issues may be redeemed for this purpose will depend on the terms of the offering circulars cited on the face of the bonds. A current list of eligible issues may be obtained from any Federal reserve bank or branch, or from the Bureau of Public Debt, Washington, DC. See section 6312 and §§ 301.6312-1 and 301.6312-2 of this chapter (Regulations on Procedure and Administration) for provisions relating to the payment of taxes with United States Treasury obligations.

(d) *Receipt for payment.* For provisions relating to duplicate receipts for payment of the tax, see § 20.6314-1.

[T.D. 6296, 23 FR 4529, June 24, 1958, as amended by T.D. 6522, 25 FR 13885, Dec. 29, 1960]

### § 20.6161-1 Extension of time for paying tax shown on the return.

(a) *Basis for granting an extension of time—(1) Reasonable cause.* With respect to the estate of a decedent dying after December 31, 1970, an extension of time beyond the due date to pay any part of the tax shown on the estate tax return may be granted for a reasonable period of time, not to exceed 12 months, by the district director or the director of a service center, at the request of the executor, if an examination of all the facts and circumstances discloses that such request is based upon reasonable cause. (See paragraph (b) of this section for rules relating to application for extension.) The following examples illustrate cases involving reasonable cause for granting an extension of time pursuant to this paragraph:

*Example (1).* An estate includes sufficient liquid assets to pay the estate tax when otherwise due. The liquid assets, however, are located in several jurisdictions and are not immediately subject to the control of the executor. Consequently, such assets cannot readily be marshaled by the executor, even with the exercise of due diligence.

*Example (2).* An estate is comprised in substantial part of assets consisting of rights to receive payments in the future (i.e., annuities, copyright royalties, contingent fees, or accounts receivable). These assets provide insufficient present cash with which to pay the estate tax when otherwise due and the estate cannot borrow against these assets except upon terms which would inflict loss upon the estate.

*Example (3).* An estate includes a claim to substantial assets which cannot be collected without litigation. Consequently, the size of the gross estate is unascertainable as of the time the tax is otherwise due.

*Example (4).* An estate does not have sufficient funds (without borrowing at a rate of interest higher than that generally available) with which to pay the entire estate tax when otherwise due, to provide a reasonable allowance during the remaining period of administration of the estate for the decedent's widow and dependent children, and to satisfy claims against the estate that are due and payable. Furthermore, the executor has made a reasonable effort to convert assets in