

Dealing With a Decedent's Fraud – Cleaning Up Our Dead Clients' Bad Behavior

University of Texas School of Law 65th Annual Taxation Conference

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Agenda

- I. Introduction
- II. Fiduciary liability and protecting the fiduciary
- III. Best practices for estate tax audits
 - A. When preparing the estate tax return
 - B. When defending the audit
- IV. Unfiled gift tax returns
- V. Correcting domestic income tax issues
- VI. Correcting foreign income tax and reporting issues
- VII. Reporting requirements for foreign estates and trusts
- VIII. Questions

Introduction

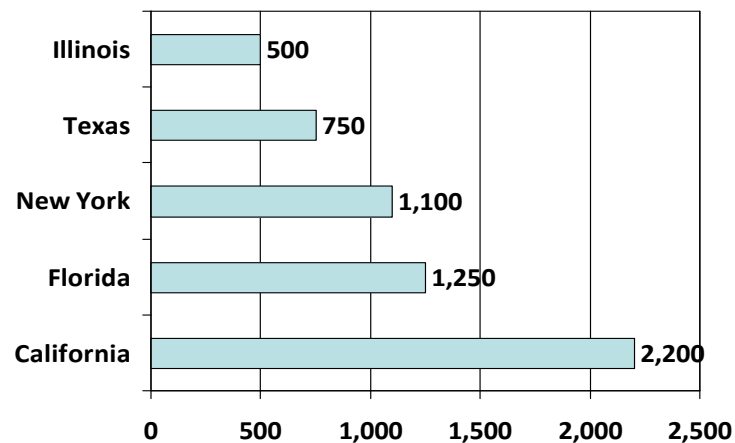
Audit Selection Process

- All estate and gift tax returns filed with the IRS will be reviewed and classified for audit potential
 - TIGTA, *Improvements Are Needed in the Estate and Gift Tax Return Examination Process* (Sept. 2017)

	<u>Estate Tax Returns (2016)</u>	<u>Gift Tax Returns (2016)</u>
Number of Returns Filed	36,130	249,000
Numbers of Returns Audited	3,187	1,843
Percentage	8.8%	0.8%

- Effect of tax reform?

Number of Estate Tax Returns Filed in 2016, Top 5 U.S. States



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Fiduciary Liability and Protecting the Fiduciary

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