

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

that are subject to the generation-skipping transfer tax (GSTT).

Isaac M. O'Bannon • Jun. 28, 2023



The **American Institute of CPAs (AICPA)**, provided the Department of the Treasury and the Internal Revenue Service (IRS) **issues and recommendations for improvements** to the **Form 706-GS(D-1)**, Notification of Distribution from a Generation-Skipping Trust, and **instructions** and extensions, as well as guidance and regulations updates if Treasury and the IRS find that there are issues beyond changes to the form and instructions.

Form 706-GS(D-1) is used by trustees to report certain distributions from a trust that are subject to the generation-skipping transfer tax (GSTT). A skip person is someone

related to the transferor by blood, marriage or adoption, who is one or more

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

1. Provide an extension of time to file Form 706-GS(D-1) and include clarity on this in the Form 706-GS(D-1) instructions Add a line to the Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information and Other Returns, to include Form 706-GS(D-1).
2. Provide clarity on when a taxable distribution occurs, including whether the taxable distribution occurs either (1) when the beneficiary is entitled to the distribution, or (2) when the beneficiary receives the distribution.
3. Provide clarity on how to properly describe and provide “enough detail that the IRS can value it” for certain types of property other than real estate, stocks and bonds and other personal property, including examples, such as for closely held entities, life insurance policies, art, collectibles and digital assets.
4. Provide clarity and instructions (similar to what is provided in the instructions for Forms 709 and 706) regarding proper valuation methods for noncash distributions when reporting the value.

“The goal of AICPA’s recommendations is to simplify filing for taxpayers and practitioners and reduce the administrative burden on the IRS,” says Eileen Sherr, Director of Tax Policy & Advocacy for AICPA. “We continue to work with the IRS to find helpful solutions and seek clarity.”

Tax Planning • Taxes

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us