

Authors' Highlights

Author's Note

On July 4, 2025, President Trump signed into law PL 119-21, popularly known as the “One Big Beautiful Bill Act” (OBBBA). While OBBBA made numerous changes to the tax code, there was only one change to the transfer taxes of Subtitle B: an increase in the basic exclusion amount to \$15,000,000, indexed for inflation after 2026. I.R.C. § 2010(c)(3)(A). The legislation states the effective date “*apply to estates of decedents dying and gifts made after December 31, 2025.*”

Since the OBBBA was passed shortly before this edition (Fall 2025) went into production, the text in the first edition of 2026 will reflect the OBBBA changes.

Volume 1

§ 6:201 Election required—Failure to make QTIP election

Added to footnote 4, three 2025 private letter rulings permitting an extension of time to make a QTIP election after the estate tax return was filed.

§ 7:12 Portability: Final regulations clarify many issues

Added a synopsis of *Estate of Rowland v. Commissioner* to footnote 7. In *Rowland*, the Tax Court held on partial summary judgment that the estate tax return filed by the deceased wife's estate did not comply with the requirements of Rev. Proc. 2017-34 for requesting the deceased spousal unused exclusion amount since the return did not contain the fair market value of any assets and only used an estimated value for the gross estate.

§ 7:13 Extension of time to make portability election for decedents dying after December 31, 2010

Added citations to footnote 1 of several 2025 private letter rulings allowing extensions of time to make an election under I.R.C. § 2010(c)(5)(A) permitting surviving spouse to utilize decedent's deceased spousal unused exclusion (DSUE) amount.

Volume 2 (starts at Chapter 14)

§ 19:43 Extension of time to apply the GST exemption amount

Added to footnote 7, several 2025 private letter rulings permitting an extension of time to allocate the GST exemption amount.

§ 19:45 Election out of automatic allocation rules: Election out statement

Added to footnote 3, several private letter rulings permitting an extension of time to opt out of the GST automatic allocation rules.

§ 19:57 Time and manner of reverse QTIP election—Extension of time to make election

Added citations to footnote 1, a private letter ruling allowing an extension of time to make a reverse QTIP election.

§ 19:64 Modifications to exempt trusts—Trusts created after October 22, 1986

Added new illustration for Private Letter Ruling 202528006, ruling that the merger of two very similar trusts did not affect the GST exemption.

§ 19:67 Modifications to “grandfathered” exempt trusts: partitions and divisions

Added to footnote 3, a private letter ruling allowing a grandfathered exempt trust to be divided into six trusts without affecting the GST exemption.