I am a Personal Representative! Now what? Help!!!

Sale of the House Inside an Estate

Alissa Grimm, CPA
Lana Kadoshnikov, CPA

JCCS
ACCOUNTING
AUDIT
TAX
EMPLOYEE BENEFITS
SPECIALIZED SERVICES

Natalie Black, Attorney at Law

WORDEN THANE P.C.

June 2024

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Presenters

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What to bring with you to the first meeting

- DEATH CERTIFICATE
- ORIGINAL WILL
- LIST OF ASSETS (INCLUDE PROPERTY TAX STATEMENT)

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What to bring with you to the CPA office

FIRST APPOINTMENT

- Death certificate
- Copy of the will
- Personal representative letters
- Copy of the latest filed tax return
- List of assets

LATER

- Valuation of house as of date of death – step up value
- Costs associated with sale
- Beneficiary's name, address, social security number
- Address for the tax return
- Checkbook register

What to bring with you to the bank

- DEATH CERTIFICATE
- PERSONAL REPRESENTATIVE LETTERS
- TAX ID FOR THE ESTATE

WHAT KINDS OF TAX RETURNS ARE THERE?

DECENDENTS RETURNS MAY INCLUDE:

- FINAL FORM 1040 – INDIVIDUAL TAX RETURN
  (OVER $12,950 - 2024)
- FORM 1041 - ESTATE INCOME TAX RETURN
  (OVER $600 INCOME)
- FORM 706 – ESTATE WEALTH TRANSFER TAX
  (2024 - $13.61 MILLION)

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DO I NEED TO FILE FORM 1041?

- GROSS INCOME OVER $600
- NET LOSS OVER $10,000
- REPORT TO IRS – ESTATE IS CLOSED

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LOSS ON SALE DISALLOWED BY IRS

- Selling house to related party at discount
- Personal use of house – not treated as rent
- Renting below FMV rent

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