

**Internal Revenue Service, Treasury**

**§ 20.6163-1**

extensions of time for payment of tax on the value of a reversionary or remainder interest in property, see § 20.6163-1.

[T.D. 7238, 37 FR 28722, Dec. 29, 1972, as amended by T.D. 7384, 40 FR 49323, Oct. 22, 1975]

**§ 20.6161-2 Extension of time for paying deficiency in tax.**

(a) In any case in which the district director finds that payment, on the date prescribed therefor, of any part of a deficiency would impose undue hardship upon the estate, he may extend the time for payment for a period or periods not to exceed one year for any one period and for all periods not to exceed four years from the date prescribed for payment thereof. However, see § 20.6161-1 for extensions of time for payment of the part of a deficiency which is prorated to installments under the provisions of section 6166.

(b) The extension will not be granted upon a general statement of hardship. The term "undue hardship" means more than an inconvenience to the estate. It must appear that a substantial financial loss, for example, due to the sale of property at a sacrifice price, will result to the estate from making payment of the deficiency at the date prescribed therefor. If a market exists, a sale of property at the current market price is not ordinarily considered as resulting in an undue hardship. No extension will be granted if the deficiency is due to negligence or intentional disregard of rules and regulations or to fraud with intent to evade the tax.

(c) An application for such an extension must be in writing and must contain, or be supported by, information in a written statement declaring that it is made under penalties of perjury showing the undue hardship that would result to the estate if the extension were refused. The application, with the supporting information, must be filed with the district director. When received, it will be examined, and, if possible, within thirty days will be denied, granted, or tentatively granted subject to certain conditions of which the executor will be notified. The district director will not consider an application for such an extension unless it is ap-

plied for on or before the date prescribed for payment of the deficiency, as shown by the notice and demand from the district director. If the executor desires to obtain an additional extension, it must be applied for on or before the date of the expiration of the previous extension. The granting of the extension of time for paying the deficiency is discretionary with the district director.

(d) The amount of the deficiency for which an extension is granted, with the additions thereto, shall be paid on or before the expiration of the period of extension without the necessity of notice and demand from the district director.

(e) The granting of an extension of time for paying the deficiency will not operate to prevent the running of interest. See section 6601. An extension of time to pay the deficiency may extend the period within which State and foreign death taxes allowed as a credit under sections 2011 and 2014 are required to be paid and the credit therefor claimed. See paragraph (c) of § 20.2011-1 and § 20.2014-6.

(f) For provisions requiring the furnishing of security for the payment of the deficiency for which an extension is granted, see § 20.6165-1.

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

**§ 20.6163-1 Extension of time for payment of estate tax on value of reversionary or remainder interest in property.**

(a)(1) In case there is included in the gross estate a reversionary or remainder interest in property, the payment of the part of the tax attributable to that interest may, at the election of the executor, be postponed until six months after the termination of the precedent interest or interests in the property. The provisions of this section are limited to cases in which the reversionary or remainder interest is included in the decedent's gross estate as such and do not extend to cases in which the decedent creates future interests by his own testamentary act.