

Rev. Proc. 2000-34

SECTION 1. PURPOSE

This revenue procedure provides guidance for submitting the information required under § 6501(c)(9) of the Internal Revenue Code and § 301.6501(c)-1(f) of the Procedure and Administration Regulations to adequately disclose a gift if the information was not initially submitted with a gift tax return filed for the calendar year in which the gift was made. The period of limitations on assessment under § 6501(a) will commence to run with respect to such a gift when the taxpayer adequately discloses the gift on an amended gift tax return filed pursuant to this revenue procedure. The period of assessment will generally expire 3 years after the date such amended return is filed.

SECTION 2. BACKGROUND

Under § 6501(c)(9), as amended by the Taxpayer Relief Act of 1997, 1997-4 (Vol. 1) C.B. 1, 69, and the Internal Revenue Restructuring and Reform Act of 1998, P.L. 105-206, 112 Stat. 685, if the value of a gift is required to be shown on a gift tax return but is not disclosed on the return, or on a statement attached to the return, in a manner adequate to apprise the Internal Revenue Service of the nature of the transfer, the period of limitations on assessment of gift tax with respect to the gift will not begin to run. If the transfer is adequately disclosed on the gift tax return and the period of limitations on assessment of gift tax has expired, then, under § 2504(c), the value of the gift cannot be adjusted for purposes of determining “prior taxable gifts” and the current gift tax liability and, under § 2001(f), the value of the gift cannot be adjusted for

purposes of determining “adjusted taxable gifts” and the estate tax liability.

Section 301.6501(c)-1(f)(2) provides that a transfer is adequately disclosed on a return only if it is reported in a manner adequate to apprise the Service of the nature of the gift and the basis for the value reported. Section 301.6501(c)-1(f)(2)(i) through (v) sets forth the information that must be disclosed on the gift tax return, or on a statement attached to the return, to adequately apprise the Service of the nature of the gift and its value.

The period of limitations on assessment of gift tax with respect to a gift will commence to run only if the donor submits the information required under § 301.6501(c)-1(f)(2) to adequately disclose that gift. The general rule under § 6501(a), that gift tax must be assessed within 3 years of the later to occur of the date the gift tax return is filed or due (except as otherwise provided under §§ 6501(c) and (e)), applies from the date the donor submits all the required information for that gift, if that information was not originally submitted with the gift tax return.

SECTION 3. SCOPE

This revenue procedure applies where the donor filed a federal gift tax return (Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return) for the appropriate calendar year but failed to adequately disclose a gift because the gift was not reported on the return or because the information required under § 301.6501(c)-1(f)(2) for the gift was not submitted with the return. This revenue procedure does not apply in any situation where § 6501(c)(1), (c)(2), or (c)(3) applies.

SECTION 4. PROCEDURE

To commence the running of the period of limitations on assessment with respect to a gift that was not adequately disclosed

on a federal gift tax return, the donor must file an amended gift tax return for the calendar year in which the gift was made. The amended return must identify the transfer and provide all of the information required under § 301.6501(c)-1(f)(2) that was not previously submitted with the original gift tax return. The amended return must be filed with the same Internal Revenue Service Center where the donor previously filed the gift tax return for the calendar year. The top of the first page of the amended return must have the words “Amended Form 709 for gift(s) made in **[insert the calendar year that the gift was made]** - In accordance with Rev. Proc. 2000-34, 2000-34 I.R.B. 186.”

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective with respect to amended returns filed to comply with § 301.6501(c)-1(f)(2) after August 21, 2000. Submissions filed on or before this date to comply with the adequate disclosure requirements under the statute and regulations will be accepted by the Service as effective to commence the running of the period of limitations as of the date filed, provided the submission contains sufficient information to constitute adequate disclosure under § 301.6501(c)-1(f)(2). The taxpayer is not required to conform submissions filed on or before this date to the requirements of this revenue procedure.

SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is William L. Blodgett of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue procedure contact Mr. Blodgett on (202) 622-3090 (not a toll free call).