



"How to" E-book Series by Susan Sandys

HOW TO:

HANDLE A LOVED ONE'S TAXES



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HOW TO:

HANDLE A LOVED ONE'S TAXES

Tax Systems. There are 2 potential tax systems that come into play when your loved one dies: federal estate tax and good ol' income tax.

If your loved one did not have over \$5.45 million dollars in assets, then you do not need to worry about federal estate tax.

If your loved one had been filing income tax returns up until his/her death, then you need to have a final tax return prepared.

Tax Preparer. I recommend that you get together with a tax preparer or accountant. Ideally, this individual is familiar with how to handle tax returns when there has been a death.

Past Tax Returns. If you need past tax returns, and cannot find them, check with an accountant or tax preparer who did any returns for your loved one.

If you still can't find them, then contact the IRS and the Arizona Department of Revenue. There is a form you fill out, which entitles you to the returns for the past three years.

EIN Number. You will want to get an EIN from the Internal Revenue Service. EIN stands for Employer Identification Number. It is also known as a "Tax ID Number".

This is the identifying number for your loved one's estate. His/her estate becomes like a "person" when he/she dies.

The EIN looks like a Social Security Number.

The process to get an EIN takes about 5-10 minutes online or on the phone, and is definitely something you can do on your own.

You want an EIN whether your loved one had a Last Will, Revocable Living Trust, or no estate related documents.

Before you start to fill out the form online, you will want your loved one's Social Security Number, your Social Security Number, your address and the official name of a Revocable Living Trust, if there is one.

THE PROCESS:

1. Go to irs.gov.
2. Look under "Tools".
3. Click on "Apply for An Employer ID Number".
4. Next, click on "Apply Online".
5. Next, click on "Begin Application".

6. If your loved one had a Will or no estate planning documents, fill in the circle next to "Estate".
7. If your loved one had a Revocable Living Trust, fill in the circle next to "Trusts".
8. If you chose "Trusts", next fill in the circle next to "Revocable Trust".
9. Next, click that you are an individual.
10. Fill in the rest of the form.
11. At the end, click that you want the EIN online, not in a formal letter mailed to you. Within a moment, you will have the EIN.

CONTACT INFORMATION

The IRS website: www.irs.gov.

The IRS phone number: 1-800-829-1040

THE ARIZONA DEPARTMENT OF REVENUE WEBSITE:

www.azdor.gov.

Additional helpful information:

www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Deceased-Taxpayers-Filing-The-Final>Returns-of-a-Deceased-Taxpayer

www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Deceased-Taxpayers-Probate-Filing-Estate-and-Individual>Returns-Paying-Taxes-Due

Please see my blogs for more information on handling your loved ones taxes.



Disclaimer

This manual is designed for general information only. The information presented is neither formal legal advice nor the formation of a lawyer/client relationship. Persons using this manual are encouraged to seek independent counsel for advice regarding their individual legal issues.