# IRS Form 1041

# Deceased Taxpayers – Estate Income Tax Return

Source: <https://www.irs.gov/businesses/small-businesses-self-employed/deceased-taxpayers-filing-the-estate-income-tax-return-form-1041>

There are two kinds of taxes owed by an estate: One on the transfer of assets from the decedent to their beneficiaries and heirs (the estate tax), and another on income generated by assets of the decedent’s estate (the income tax). This page contains basic information to help you understand when an estate is required to file an income tax return.

When someone dies, their assets become property of their estate. Any income those assets generate is also part of the estate and may trigger the requirement to file an estate income tax return. Examples of assets that would generate income to the decedent’s estate include savings accounts, CDs, stocks, bonds, mutual funds and rental property. IRS [Form 1041, U.S. Income Tax Return for Estates and Trusts](https://www.irs.gov/forms-pubs/about-form-1041), is required if the estate generates more than $600 in annual gross income.

The decedent and their estate are separate taxable entities. Before filing Form 1041, you will need to obtain a tax ID number for the estate. An estate’s tax ID number is called an “employer identification number,” or EIN, and comes in the format 12-345678X. You can [apply online](https://sa2.www4.irs.gov/modiein/individual/index.jsp) for this number. You can also apply by FAX or mail; see [How to Apply for an EIN](https://www.irs.gov/businesses/small-businesses-self-employed/how-to-apply-for-an-ein).

A decedent's estate figures its gross income in much the same manner as an individual. Most deductions and credits allowed to individuals are also allowed to estates and trusts. However, there is one major distinction. A trust or decedent's estate is allowed an income distribution deduction for distributions to beneficiaries. Income distributions are reported to beneficiaries and the IRS on Schedules K-1 (Form 1041).

For calendar year estates and trusts, file Form 1041 and Schedule(s) K-1 on or before April 15 of the following year. For fiscal year estates and trusts, file Form 1041 by the 15th day of the 4th month following the close of the tax year. If more time is needed to file the estate return, apply for an automatic 5 month extension of time to file using IRS [Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns](https://www.irs.gov/forms-pubs/about-form-7004).

In general, an estate must pay quarterly estimated income tax in the same manner as individuals. For more information on when estimated tax payments are required see the Form 1041 instructions. For more information on how to make estimated tax payments for an estate see IRS [Form 1041-ES, Estimated Income Tax for Estates and Trusts](https://www.irs.gov/forms-pubs/about-form-1041es).

[Estate tax](https://www.irs.gov/businesses/small-businesses-self-employed/estate-and-gift-taxes) on the transfer of assets from the decedent to beneficiaries and heirs is reported on IRS [Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return](https://www.irs.gov/forms-pubs/form-706-united-states-estate-and-generation-skipping-transfer-tax-return).

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