



DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 300

[TD 10038]

RIN 1545-BR22, 1545-BR28

Estate Tax Closing Letter User Fee Update

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final rule.

SUMMARY: This document contains final regulations relating to the imposition of a user fee on authorized persons requesting the issuance of IRS Letter 627, also referred to as an estate tax closing letter. The final regulations adopt without change the text of the interim final rule and proposed regulations that reduced the amount of the user fee imposed on a request for the issuance of an estate tax closing letter from \$67 to \$56. The Independent Offices Appropriations Act of 1952 authorizes the charging of user fees. The final regulations affect persons who request an estate tax closing letter.

DATES: *Effective date:* These regulations are effective on **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Applicability date: For date of applicability, see §300.12(d).

FOR FURTHER INFORMATION CONTACT: Concerning the final regulations, Juli Ro Kim at (202) 317-6859; concerning cost methodology, CFO Cost and User Fees at (202) 317-6400 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Authority

This document contains amendments to 26 CFR part 300 regarding user fees for authorized persons who request the issuance of an estate tax closing letter (IRS Letter 627).

The Independent Offices Appropriations Act of 1952 (IOAA) (31 U.S.C. 9701) authorizes each agency to prescribe regulations that establish user fees for services provided by the agency. The IOAA provides that regulations implementing user fees are subject to policies prescribed by the President; these policies are set forth in the Office of Management and Budget Circular A-25, 58 FR 38142 (July 15, 1993) (OMB Circular A-25).

The IOAA states that the services provided by an agency should be self-sustaining to the extent possible. Under OMB Circular A-25, agencies that provide services that confer special benefits on identifiable recipients beyond those accruing to the general public must identify those services, determine whether user fees should be assessed for those services, and, if so, establish user fees that recover the full cost of providing those services, unless an exception to the full cost requirement is granted. As required by the IOAA and OMB Circular A-25, agencies are to review user fees biennially and update them as necessary to reflect changes in the cost of providing the underlying services.

Background

On May 20, 2025, the Department of the Treasury (Treasury Department) and the IRS published in the ***Federal Register*** (90 FR 21439) a notice of proposed rulemaking (proposed regulations) (REG-107459-24) proposing amendments to regulations under 26 CFR part 300. On the same date, the Treasury Department and the IRS published in the ***Federal Register*** (90 FR 21410) an interim final rule (TD 10031) that reduced the amount of the user fee imposed on a request for the issuance of an estate tax closing letter from \$67 to \$56, applicable to requests received by the

IRS after May 20, 2025. The text of the interim final rule also served as the text of the proposed regulations.

The preamble to the interim final rule contains a detailed explanation of the legal background and user fee calculations supporting the amendment to these regulations. The IRS received five written public comments in response to the interim final rule and proposed regulations. These comments are available at <https://www.regulations.gov> or upon request. No public hearing on the proposed regulations was requested and accordingly no public hearing was held. After careful consideration of the comments received, the Treasury Department and the IRS adopt the text of the interim final rule and proposed regulations without change.

Summary of Comments

One comment requested more transparency regarding how the fee is calculated and the specific administrative costs covered in determining the fee. The IRS followed the OMB Circular A-25 guidance to compute the full cost of issuing estate tax closing letters to authorized persons. The preamble to the interim final rule provides a detailed explanation of how the user fee was calculated and shows that computation. The IRS determined the total processing labor and benefits cost and quality assurance labor and benefits cost. The IRS then applied the overhead rate to the total labor and benefits cost to calculate the full cost of the estate tax closing letter program. Finally, the IRS divided that full cost by the average annual volume of requests.

Comments recommended a further reduction of the user fee for small estates or low-income families. Alternatively, comments suggested eliminating the fee in all cases and encouraged the IRS to automatically issue, without charge, an estate tax closing letter for every estate tax return filed. The elimination of the user fee would require the Federal government to bear the full cost of the additional service of issuing an estate tax closing letter. OMB Circular A-25 states that when a service offered by an agency

confers special benefits to identifiable recipients beyond those accruing to the general public, the agency is to charge a user fee to recover the full cost of providing the service. The issuance of the estate tax closing letter constitutes the provision of a service that confers special benefits to persons requesting such letters beyond those accruing to the general public. In accordance with OMB Circular A-25, the IRS conducted a biennial review of the estate tax closing letter user fee and determined that the full cost of issuing estate tax closing letters to authorized persons is \$56.

Finally, one comment recommended changes to the marginal tax brackets for estates at specified amounts. Marginal tax brackets are beyond the scope of this rulemaking.

After consideration of the comments, these final regulations therefore adopt the text of the interim final rule and proposed regulations without change.

Special Analyses

I. Regulatory Planning and Review

These final regulations are not subject to review under section 6(b) of Executive Order 12866 pursuant to the Memorandum of Agreement (July 4, 2025) between the Treasury Department and OMB regarding review of tax regulations.

II. Regulatory Flexibility Act

Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that these final regulations will not have a significant economic impact on a substantial number of small entities. These regulations, which reduce the amount of a fee to obtain a particular service, affect decedents' estates, which generally are not small entities as defined under 5 U.S.C. 601(6). Thus, these regulations have no economic impact on small entities. In addition, the final regulations will establish a \$56 fee, which is a reduction from the previously established fee and is not substantial enough to have a significant economic impact on any entities that could be affected by

establishing such a fee. Accordingly, the Secretary certifies that the rule will not have a significant economic impact on a substantial number of small entities.

III. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of \$100 million in 1995 dollars, updated annually for inflation. These final regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

IV. Executive Order 13132: Federalism

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These final regulations do not have federalism implications and do not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

V. Submission to Small Business Administration

Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking and the interim final rule that preceded these final regulations were submitted to the Chief Counsel for the Office of Advocacy of the Small Business Administration for comment on their impact on small business. No comments were received on the proposed regulations or the interim final rule.

VI. Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 et seq.), the Office of Information and Regulatory Affairs designated this rule as not a major rule, as defined by 5 U.S.C. 804(2).

Drafting Information

The principal author of these regulations is the Office of the Associate Chief Counsel (Passthroughs, Trusts, and Estates). Other personnel from the Treasury Department and the IRS participated in the development of the regulations.

List of Subjects in 26 CFR Part 300

Estate taxes, Reporting and recordkeeping requirements.

PART 300--USER FEES

Accordingly, the interim rule amending 26 CFR part 300, which was published at 90 FR 21410 on May 20, 2025, is adopted as final without change.

Frank J. Bisignano,

Chief Executive Officer.

Approved: November 4, 2025.

Kenneth J. Kies,

Assistant Secretary of the Treasury (Tax Policy).