

## The Executor of a Deceased Estate and The Tax Man



Many of us have been asked to act as the Executor of the will of a relative or friend. We accept this role as a favour and, in some cases, see it as a sign of the person's judgment of our character to be asked.

### **What are the responsibilities and obligations that the Tax Office look to the executor of the deceased estate to provide?**

Taxation law includes executors and administrators with the definition of "trustee". The executor stands in the shoes of the deceased and the Tax Office has the power to deal with the executor as though he or she was the deceased. For taxation purposes, deceased estates are

viewed as being either administered or un-administered estates, depending upon whether Probate on the deceased's will has been granted.

Generally, the Tax Office requires two tax returns in the year of death. One return for the period up to the date of death of the deceased person, and one return from the date of death to the following 30 June. There are special rules that cover employee entitlements paid out after the date of death.

The executor will be required to sign the statement on the tax return, certifying that the return is "true and correct". This may be difficult for an executor who has little knowledge of the affairs of the deceased person before they died. The tax legislation does provide some relief in this area for the executors of estates.



**Should you require assistance with tax returns to the date of death or for the estate of a person from whom you have been appointed executor, contact Sid Edwards, Senior Partner, at Abby Practice on 9476 0399 for a free initial discussion and health check of**