DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 300

[TD 10055]

RIN 1545–BS10

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, which adopt without change the text of the proposed regulations, increase the amount of the user fee imposed on a request for the issuance of an estate tax closing letter from $56 to $76. 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 October 26, 2026.

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 June 2, 2026, the Department of the Treasury (Treasury Department) and the IRS published in the **Federal Register** (91 FR 32909) a notice of proposed rulemaking (proposed regulations) (REG–103193–26) proposing amendments to regulations under 26 CFR part 300 relating to the imposition of a user fee on authorized persons requesting the issuance of an estate tax closing letter. The proposed regulations proposed an increase of the user fee imposed on a request for the issuance of an estate tax closing letter from $56 to $76.

The preamble to the proposed regulations contains a detailed explanation of the legal background and user fee calculations supporting the amendment to these regulations. The Treasury Department and the IRS received one written public comment in response to the proposed regulations. The comment is 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 comment received, the Treasury Department and the IRS adopt the text of the proposed regulations without change.

Summary of Comments

The single comment received addressed three central points.

The first point focused on the transparency of the specific cost model used to calculate the cost of providing a closing letter, including the derivation of the various assumptions, staff-hour estimates, and rates to which the cost model was applied. The comment requested that the IRS publicly release the 2025 Cost Model or supporting memorandum to evaluate how assumptions were derived, validated, and tested. Additionally, the comment requested that the IRS not move forward with these final regulations before the IRS provides this additional data and discloses it to the public.

The IOAA authorizes Federal government agencies to promulgate regulations establishing the charge for services provided by the agency. OMB Circular A–25 states that, when a service offered by a Federal agency provides special benefits to identifiable recipients beyond those accruing to the general public, the agency should establish a user fee to recover the full cost of providing the service. Section 6(d) of the OMB Circular A–25 provides specific directives to determine the full cost of the government service. Each agency is responsible for reviewing the user charges for agency programs biennially to assure that existing charges are adjusted to reflect unanticipated changes in costs. *See* OMB Circular A–25 section 8(e).

As explained in the preamble to the proposed regulations, the IRS's cost methodology used in calculating the full cost of administering the estate tax closing letter program is in accordance with generally accepted accounting principles and the *Statement of Federal Financial Accounting Standards (SFFAS) No. 4: Managerial Cost Accounting Standards and Concepts* found in the Federal Accounting Standards Advisory Board Handbook of Federal Accounting Standards and Other Pronouncements, as amended. As the preamble to the proposed regulations states, the user fee calculation uses data from fiscal years 2023 through 2024 to determine the direct and indirect costs associated with the estate tax closing letter program. In accordance with the IOAA and OMB Circular A–25, the IRS conducted a biennial review of the estate tax closing letter program computing the full cost of issuing estate tax closing letters to authorized persons. The proposed regulations provide a detailed analysis of the full cost of providing the service of issuing estate tax closing letters to authorized persons based on operational activities of the IRS and the unit in charge of issuing estate tax closing letters. As the proposed regulations describe in detail, the increased user fee reflects the change in the IRS costs of administering the program as a result of changes in operational factors. The IRS has determined that the full cost to the IRS of overseeing the estate tax closing letter program is $76 per request. In accordance with the OMB Circular A–25, these final regulations increase the fee to bring it in line with actual costs based upon a recent review of the estate tax closing letter program. The IRS is in compliance with OMB Circular A–25 in its methodology for computation of the actual cost and will follow the directive providing for a biennial reevaluation of the fees.

Regarding the suggestion of publication of and public comment on the cost model and data, the cost model and data will not be part of the final regulations when issued. The data that was required to be included for public review and comment was included in the preamble to the proposed regulations.

The second central point raised by the comment concerned the cost of the rulemaking process. Specifically, the comment inquired whether or not the cost of the rulemaking process is accounted for in the 2025 Cost Model and whether ''another administratively efficient approach would better serve full-cost recovery without repeatedly incurring rulemaking costs.''

OMB Circular A–25 Section 7(a) provides that ''user charges will be instituted through the promulgation of regulations.'' The IRS implemented the estate tax closing letter user fee in 2021 in TD 9957 (86 FR 53539), based on a 2019 Cost Model, in accordance with the OMB Circular A–25 requiring full cost recovery to provide a government service unless an exception is granted. OMB Circular A–25 requires the IRS to review the user fees it charges for special services in a biennial review to ensure that the fees are adjusted for cost. As required, the IRS continued to review the cost of the estate tax closing letter program and issued adjustments to the fee by regulation in TD 10031 (90 FR 21410) and TD 10038 (90 FR 55041).

As related to these proposed regulations, the IRS completed a 2025 Cost Model to satisfy the agency's responsibility to review the user charges for the estate tax closing letter program. The IRS organizational unit responsible for the implementation and operation of the estate tax closing letter is the IRS Small Business/Self Employed (Examination). Unlike other user fee programs, such as the offer in compromise program, the Office of Chief Counsel does not perform any duties or specific tasks to provide the estate tax closing letter, which is the service for which the user fee is incurred. The service of providing an estate tax closing letter is solely performed by IRS employees; therefore, as explained in the OMB Circular A–25, the full cost of the service is computed by cost factors including the IRS employees' direct and indirect personnel hours.

OMB Circular A–25 does not require the IRS to account for and describe activities unrelated to providing estate tax closing letters and administering the estate tax closing letter program that are not included in the costs recovered in the estate tax closing letter user fee. The costs associated with issuing the regulations required by the IOAA and OMB Circular A–25 to implement changes to the user fee are not such expenses and thus are not to be taken into account in calculating the cost. The IRS has accounted for all activities properly included in the estate tax closing letter user fee. As explained in detail in the proposed regulations, the estate tax closing letter user fee is consistent with these requirements.

The third point raised by the comment requested clarification of the Regulatory Flexibility Act as discussed in the Special Analyses section of the preamble. The comment requested that the IRS explain whether small professional fiduciaries, estate administration firms, law firms, accountants, or other small entities commonly request or absorb the fee in practice, and whether such burden is direct, indirect, or merely passed through to estates.

The final regulations increase the amount of the user fee to obtain an estate tax closing letter, which is imposed on requests made by decedents' estates. As discussed in the Special Analyses section of this preamble, generally, decedent's estates are not ''small entities'' for purpose of the Regulatory Flexibility Act under 5 U.S.C. 601(6). The Treasury Department and the IRS do not expect any of the costs to obtain an estate tax closing letter to be borne by small professional fiduciaries or other small entities. Moreover, the $76 user fee is not substantial enough to have a significant economic impact on any entities that could be affected by establishing such a fee. Accordingly, the Treasury Department and the IRS conclude that the rule is not expected to have a significant economic impact on a substantial number of small entities, and a regulatory flexibility analysis is not required.

After consideration of the comment, these final regulations adopt the text of the proposed regulations without change.

Special Analyses

I. Regulatory Planning and Review

The OMB's Office of Information and Regulatory Analysis has determined that these regulations are not subject to review under section 6(b) of Executive Order 12866.

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 amend 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 $76 fee, which 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 that preceded these final regulations was submitted to the Chief Counsel for the Office of Advocacy of the Small Business Administration for comment on its impact on small business. No comments were received on the proposed regulations.

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 Juli Ro Kim of 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.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 300 is amended as follows:

PART 300—USER FEES

■ **Paragraph 1.**The authority citation for part 300 continues to read as follows:

Authority: 31 U.S.C. 9701.

■ **Par. 2.**Section 300.12 is amended by revising paragraphs (b) and (d) to read as follows:

§ 300.12 Fee for estate tax closing letter.

* * * * *

(b) *Fee.* The fee for issuing an estate tax closing letter is $76.

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(d) *Applicability date.* This section applies to requests for estate tax closing letters received by the IRS after October 26, 2026.

Frank J. Bisignano,

Chief Executive Officer.

Approved: September 2, 2026.

Kevin M. Salinger,

Acting Assistant Secretary of the Treasury (Tax Policy).

[FR Doc. 2026–19666 Filed 9–24–26; 8:45 am]

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DEPARTMENT OF JUSTICE

Bureau of Alcohol, Tobacco, Firearms, and Explosives

27 CFR Part 555

[Docket No. ATF–2023–0001; ATF 2013R–15P]

RIN 1140–AA51

Annual Notices on Explosive Materials Storage Facilities to Local Fire Authority

AGENCY: Bureau of Alcohol, Tobacco, Firearms, and Explosives, Department of Justice.

ACTION: Final rule.

SUMMARY: The Bureau of Alcohol, Tobacco, Firearms, and Explosives (''ATF'') is amending Department of Justice (''Department'') regulations on reporting explosive materials storage. Currently, any person who stores explosive materials subject to ATF's explosives regulations must notify the authority having jurisdiction for fire safety in that locality when they begin storing explosives at that site. This rule adds a requirement to also submit written notices every 12 months thereafter and when the person ceases storing explosives at that location and to retain copies of the notices for five years. These changes are intended to increase public safety, particularly for first responders.

DATES: This rule is effective October 26, 2026.

FOR FURTHER INFORMATION CONTACT: Office of Regulatory Affairs; by email at *ORA@atf.gov,* by mail at Office of Regulatory Affairs; Enforcement Programs and Services; Bureau of Alcohol, Tobacco, Firearms, and Explosives; 99 New York Ave. NE; Washington, DC 20226, or by telephone at 202–648–7070.

SUPPLEMENTARY INFORMATION:

I. Background

Title XI of the Organized Crime Control Act of 1970 (''OCCA''), Public Law 91–452, 84 Stat. 922 (1970) added 18 U.S.C. chapter 40 (Importation, Manufacture, Distribution, and Storage of Explosive Materials) to part I, on crimes. One of the stated purposes for title XI was to reduce the ''hazard to persons and property arising from misuse and unsafe or insecure storage of explosive materials.'' Public Law 91–452, sec. 1101, 84 Stat. at 952. The Attorney General is responsible for implementing title XI. *See* 18 U.S.C. 847. The Attorney General has delegated that responsibility to the Director of ATF (''Director''), subject to the direction of the Attorney General and the Deputy Attorney General.[1] *See* 28 U.S.C. 599A(b)(1), (c)(1); 28 CFR 0.130(a)(1)–(2); Treas. Order No. 221(2)(a), (d), 37 FR 11696–97 (June 10, 1972). Regulations in 27 CFR part 555 implement title XI.

On August 24, 1998, ATF published in the **Federal Register** a final rule to implement a storage notification requirement for manufacturers and other persons who store explosives.[2] ATF amended the regulations in 27 CFR part 55 (now part 555) [3] to require that any person who begins storing explosive materials must notify the authority having jurisdiction for fire safety in the locality in which the explosive materials are being stored of the storage type, magazine capacity, and location of each site where such explosives are stored (the structure storing the explosive materials is hereinafter referred to as a ''magazine'').[4] The 1998 final rule was issued in response to numerous deaths and injuries sustained by emergency response personnel responding to fires and other emergencies at sites where explosives were stored without the knowledge of state and local officials.[5]

ATF is concerned with the safety of emergency response personnel

[1] In Attorney General Order Number 6353–2025, the Attorney General delegated authority to the Director to issue regulations pertaining to matters within ATF's jurisdiction, including under OCCA, the National Firearms Act, and the Gun Control Act. ATF's jurisdiction also includes the Arms Export Control Act and the Contraband Cigarette Trafficking Act.

[2] Commerce in Explosives, final rule, RIN 1512–AB55, 63 FR 44999 (August 24, 1998). In this rule, ATF amended the regulations in 27 CFR part 55 (now part 555) to require that any person who begins storing explosive materials must notify the authority having jurisdiction for fire safety in the locality in which the explosive materials are being stored of the storage type, magazine capacity, and location of each site where such explosives are stored. The rule was issued in response to numerous deaths and injuries sustained by emergency response personnel responding to fires and other emergencies at sites where explosives were stored without the knowledge of state and local officials. *See* Commerce in Explosives proposed rule, RIN 1545–AU09, 61 FR 53688 (Oct. 15, 1996).

[3] On January 24, 2003, ATF issued a final rule titled ''Reorganization of Title 27, Code of Federal Regulations,'' which, among other things, removed part 55 from chapter I and recodified it as part 555 in the new chapter II. 68 FR 3744.

[4] Although the reporting requirement is per site or location, ATF defines ''magazine'' as ''Any building or structure, other than an explosives manufacturing building, used for storage of explosive materials.'' *See* 27 CFR 555.11. As a result, for easier reference, ATF is referring in this rule to all structures storing explosive materials as ''magazines.''

[5] Commerce in Explosives, notice of proposed rulemaking, RIN 1545–AU09, 61 FR 53688 (Oct. 15, 1996).