

This agreement is entered into by and between \_\_\_\_\_, (hereinafter "Escrow Agent");  
Escrow Agent  
 \_\_\_\_\_, Executor, Estate of \_\_\_\_\_  
Executor Decedent  
 (hereinafter "Estate"), and the United States of America, by and through the Internal Revenue Service (hereinafter "IRS").

**Witnesseth**

1. \_\_\_\_\_ died on \_\_\_\_\_. A lien arose on the date of death securing  
Decedent Date of death  
 payment of \_\_\_\_\_ federal estate tax liability. The lien attached to all assets  
Decedent's  
 included in the gross Estate.
2. The Estate Tax Return, Form 706, for the Estate of \_\_\_\_\_ is due, without  
Decedent  
 extension, on \_\_\_\_\_.  
Due date of Form 706
3. On \_\_\_\_\_ the Estate submitted an application for certificate discharging property subject to estate tax lien  
Date  
 (hereinafter "Application").
4. That Estate submitted the Application to facilitate the desired sale of \_\_\_\_\_  
Description of asset  
 \_\_\_\_\_ (hereinafter "Subject Property"). (An Exhibit A can be attached  
Description of asset  
 and referenced here if additional room is needed for the description of asset(s) to be sold).
5. That Subject Property is encumbered by an estate tax lien in favor of the IRS.
6. That the parties hereto declare that it is in their best interest that the Subject Property described in paragraph number 4 above be sold and that gross proceeds of sale, less the expenses approved by the IRS (hereinafter "Escrow Funds"), be held in escrow in accordance with this Agreement (the "Escrow Funds").
7. That for purposes of facilitating the sale, upon approval of the Application, the signing of the Escrow Agreement (Agreement) and depositing of the Escrow Funds pursuant to this Agreement, the IRS will approve the Application and will discharge any lien, claim or interest in the Subject Property in consideration of the Escrow Funds being held as a fund subject to the liens and claims of the IRS in the same manner and with the same priority that IRS liens and claims had with respect to the discharged Subject Property.
8. That the Escrow Funds arising from the sale of the Subject Property will be paid directly to the Escrow Agent by the purchaser of the Subject property.
9. That the Escrow Agent will hold the Escrow Funds, in trust, in an interest-bearing account in a mutually agreeable United States institution, including a bank, credit union, investment firm, etc.
10. That the duties and responsibilities of the Escrow Agent will be limited to those expressly set forth herein, to hold the Escrow Funds in trust and disburse funds under the conditions set forth herein.
11. That the Estate agrees to be liable for all IRS approved costs and attorney's fees incurred by the Escrow Agent in administering this Agreement.

WHEREFORE, it is mutually agreed and understood by the parties hereto that:

12. That in order for the Estate to sell the Subject Property free and clear of the aforementioned federal estate tax lien, a Certificate Discharging Property Subject to Estate Tax Lien will be provided by the IRS under the conditions set forth in this Agreement. The net proceeds from the sale of the Subject Property ("Escrow Funds") shall remain subject to the estate tax lien, in the same manner, with the same priority, and with all of the rights the IRS had with respect to the discharged Subject Property.
13. The sale of the Subject Property shall divest the Estate of all right, title and interest in the Subject Property.
14. The Escrow Funds shall be paid directly to the Escrow Agent by the purchaser of the Subject Property, payment to be made by cashier's check payable, or wire transfer to the Escrow Agent.
15. That the Escrow Agent shall deposit the Escrow Funds in a mutually agreeable United States financial institution, including a bank, credit union, investment firm, etc. All interest which accrues on the subject account held by the financial institution shall be added to such account, become part of the Escrow Fund and be included in the funds to be finally distributed.
16. By the end of the first week of each calendar-year quarter (first week in January, April, July, and October), the Escrow Agent will mail the IRS and Estate signatories to this Agreement with the most recent quarterly account statement(s) for the amount held in escrow under this agreement.

17. The Escrow Agent shall distribute to the IRS upon written notification from the IRS of the issuance of a final determination by the IRS or a court with jurisdiction over the Estate and the IRS of the amount of the estate tax owed, or otherwise upon mutual agreement between the Estate and the IRS, the lesser of (a) the amount sufficient to satisfy the estate tax liability in full, including all applicable interest and penalties, or (b) the total amount of Escrow Funds being held by the Escrow Agent pursuant to this Agreement.

However, if there are other outstanding taxes due to the IRS, other than the subject estate tax, those other taxes shall be paid in full, including interest and penalties, before any balance of the Escrow Funds are paid to the Estate.

18. The IRS retains the right to enforce the estate tax lien by levy or seizure of the Escrow Funds in the possession of the Escrow Agent at any time. However, the IRS agrees not to exercise the right to levy or seize the Escrow Funds until one of the following takes place (the "Disbursement Conditions"):

- a. A return is received by the IRS or the IRS prepares a substitute for return, and
  1. The liability is assessed, but remains unpaid after 10 calendar days following notice and demand for payment by the IRS;
  2. An audit of the Estate Tax Return has been completed and administrative and judicial remedies have been exhausted, and the liability has been assessed, but remains unpaid after 10 calendar days following notice and demand by the IRS; or
  3. Otherwise upon mutual agreement between the Estate and the IRS, or
  4. The IRS determines that assessment and/or collection of the estate tax liability is in jeopardy.

19. That the Escrow Agent may not release the Escrow Funds to anyone without the express written consent of the IRS.

20. That the Estate has the right to instruct the Escrow Agent to release all or part of the Escrow Funds to the IRS at any time without the express written consent of the IRS.

21. The IRS will issue written instructions directing the Escrow Agent to release the balance of the funds in the escrow account to the Estate after a final determination has been made by the IRS or a court with jurisdiction over the Estate and the IRS of the amount of estate tax owed and the tax has been paid in full, including applicable interest and penalties or otherwise upon mutual agreement between the Estate and the IRS.

22. No provision of any purchase contract or escrow instructions regarding the Subject Property may be inconsistent with this Agreement and any provisions of said purchase contract or escrow instructions which are inconsistent with this Agreement shall be null and void and of no effect for all purposes.

23. The Escrow Agent is a mere trustee of the Escrow Funds whose duties and obligations are limited to those expressly set forth herein, to hold the Escrow Funds in trust and disburse funds only under the conditions set forth herein.

24. The Estate agrees to be liable for all IRS approved reasonable costs and attorney's fees incurred by Escrow Agent arising from or related to this agreement.

25. Escrow Agent shall charge an escrow service fee of \_\_\_\_\_, which shall be payable by the Estate upon written approval of the IRS.  
\$ amount or percentage of total

26. Nothing herein waives the statute of limitations for assessment or collection of the estate tax liability of the Estate. Nothing herein constitutes a waiver of rights or remedies available to the Estate or the IRS.

27. This Agreement shall become effective upon the signature of all the parties whose names appear below.

Estate of <i>(decendent)</i>	Title of Internal Revenue Representative	Name of Escrow Institution
Estate Executor <i>(print name)</i>	Internal Revenue Service <i>(print name)</i>	Escrow Agent <i>(print name)</i>
Estate Executor signature	Internal Revenue Service signature	Escrow Agent signature
Date	Date	Date

### Paperwork Reduction Act

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Preparing and sending the form to the IRS should involve 30 minutes. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0328. If you have comments concerning the accuracy of the time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can send your comments to Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send Form 15056 to this address.