

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-82 (2.1)  
Estate & Gift Tax  
August 31, 1984

Subject: Amendment to estate tax law regarding assessment of interest on taxes not paid within period of extension.

This memorandum should be associated with TSB-M-82(2),  
Estate and Gift Tax.

Section 962(k) of Article 26 of the New York State Estate Tax Law was amended by Chapter 446, Laws of 1984. The following provisions apply to extensions granted after July 19, 1984 and to defaults occurring after July 19, 1984 regardless of whether such defaults were on an extension granted before or after such date.

Under the provisions of paragraph 6 of subsection (k) of Section 962, an extension of time for payment of estate tax may be granted by the Tax Commission for a period of time not exceeding four years from the date of death upon such terms as it may deem reasonable. Payments of tax may be required to be made in annual installments. The Tax Commission may also require the executor to furnish a bond to insure payment of the tax.

If the time for payment of the tax is extended, interest is computed and compounded daily on the amount of tax to which the extension applies from the expiration of the ninth month from the date of death to the date of payment at the rate or rates in effect for such dates.

If the tax is not paid within the period of extension or is not paid in accordance with the terms set by the Tax Commission, interest shall be computed and compounded daily on the unpaid amount of tax from the date of death of the decedent until the tax is paid at the rate or rates in effect for such dates that the taxes remain unpaid.