

# Instructions for Form 706-NA



Department of the Treasury  
Internal Revenue Service

(Rev. June 2019)

## United States Estate (and Generation-Skipping Transfer) Tax Return Estate of nonresident not a citizen of the United States

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 706-NA and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form706NA](https://www.irs.gov/Form706NA).

### What's New

**New filing address.** Effective July 1, 2019, Form 706-NA will be filed in Kansas City, Missouri. See [Where To File](#), later.

## General Instructions

### Purpose of Form

Form 706-NA is used to compute estate and generation-skipping transfer (GST) tax liability for nonresident alien decedents. The estate tax is imposed on the transfer of the decedent's taxable estate rather than on the receipt of any part of it.



*For information about transfer certificates for U.S. assets, write to the following address.*

Internal Revenue Service  
Cincinnati, OH 45999  
Stop 824G

**Note.** In order to complete this return, you must obtain Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, and its instructions. You must attach schedules from Form 706 if you intend to claim a marital deduction, a charitable deduction, a qualified conservation easement exclusion, or a credit for tax on prior transfers, or if you answer Yes to question 5, 7, 8, 9a, 9b, or 11 in Part III, General Information. You will need the instructions to Form 706 to explain how to value stocks and bonds. Make sure that you use the version of Form 706 that corresponds to the date of the decedent's death.

**Consistent basis reporting.** Estates are required to report to the IRS and the

recipient the estate tax value of each asset included in the gross estate within 30 days of filing Form 706-NA, or earlier if the return is filed late. The basis of certain assets when sold or otherwise disposed of must be consistent with the basis (estate tax value) of the asset when it was received by the beneficiary. To satisfy the consistent basis reporting requirements, the estate must file Form 8971, Information Regarding Beneficiaries Acquiring Property From a Decedent. See Form 8971 and its instructions and the Instructions for Form 706 for more information.

**Closing letter procedure.** Estate closing letters will not be issued unless requested by the executor of the estate or the designated power of attorney. To allow time for processing, please wait at least 6 months after filing Form 706-NA to request a closing letter.

Instead of an estate tax closing letter, the executor of the estate may request an account transcript, which reflects transactions including the acceptance of Form 706-NA and the completion of an examination. Account transcripts are available online to registered tax professionals using the Transcript Delivery System (TDS) or to authorized representatives making requests using Form 4506-T. Specific instructions are available for requesting online transcripts using the TDS or hardcopy transcripts using Form 4506-T. For questions about estate tax closing letter requests, call 866-699-4083 or go to [Frequently Asked Questions on Estate Taxes](#).

### Definitions

The following definitions apply in these instructions.

**United States.** The United States means the 50 states and the District of Columbia.

**Nonresident alien decedent.** A nonresident alien decedent is a decedent who is neither domiciled in nor a citizen of the United States at the time of death. For purposes of this form, a citizen of a U.S. possession is not a U.S. citizen.

**Long-term U. S. resident.** A long-term U.S. resident is an alien who has been a lawful permanent resident of the United States (green card holder) in at least 8 of the last 15 tax years ending with the tax year in which U.S. residency is terminated.

**Executor.** An executor is the personal representative, executor, executrix, administrator, or administratrix of the deceased person's estate. If no executor is appointed, qualified, and acting in the United States, every person in actual or constructive possession of any of the decedent's property must file a return. If more than one person must file, it is preferable that they join in filing one complete return. Otherwise, each must file as complete a return as possible, including a full description of the property and each person's name who holds an interest in it.

Executors must provide documentation proving their status. Documentation will vary but may include a certified copy of the will or a court order designating the executor(s). A statement by the executor(s) attesting to their status is insufficient.

**U.S. expatriate.** Special estate tax rules may apply to decedents who expatriated from the United States prior to death. For these purposes, both U.S. citizens who relinquished their citizenship and long-term residents, as defined in section 877(e), who have surrendered their green card or taken a position under a tax treaty that they are solely a resident of the other country, are treated as expatriates.

For decedents who expatriated prior to June 17, 2008, and were still subject to the 10-year alternative tax regime of section 877(b) on the date of death, the rules in section 2107 apply to determine the value of the decedent's U.S. taxable estate. For decedents who expatriated on or after June 17, 2008, and were "covered expatriates" on the date of death, as defined in section 877A(g)(1), the rules in section 2107 do not apply, but the rules of section 2801 may apply. So decedents who expatriated on or after June 17, 2008, are generally subject to U.S. estate tax as all other

nonresident alien decedents, and the references to "U.S. expatriate" in these instructions refer only to decedents who expatriated prior to June 17, 2008. See the instructions for [Question 6a](#) and [Question 6b](#), later. Also, see effective dates later for more information.

**Expatriation after June 3, 2004, but before June 17, 2008.** A decedent would have been subject to the 10-year alternative tax regime of section 877(b) if the individual met one of three tests set out under section 877(a) relating to:

1. Average annual net income tax liability,
2. Net worth, and
3. Certification of tax compliance.

See sections 877 and 2107 and Form 8854, Initial and Annual Expatriation Statement, as they existed in the relevant tax year for additional information.

**Expatriation on or after February 6, 1995, through June 3, 2004.** A decedent would have been presumed to be subject to the 10-year alternative tax regime of section 877(b) if the individual's average annual net income tax liability or net worth exceeded certain limits, absent a private letter ruling reversing the presumption. See sections 877 and 2107 and Form 8854 as they existed in the relevant tax year for additional information.

## Who Must File

The executor must file Form 706-NA if the date of death value of the decedent's U.S.-situated assets, together with the gift tax specific exemption and the amount of adjusted taxable gifts, exceeds the filing threshold of \$60,000. The gift tax specific exemption refers to the amount allowed for gifts made by the decedent between September 9, 1976, and December 31, 1976, inclusive. The amount of adjusted taxable gifts refers to the amount of adjusted taxable gifts made by the decedent after December 31, 1976.

## When To File

File Form 706-NA within 9 months after the date of death unless an extension of time to file was granted.

If you are unable to file Form 706-NA by the due date, use Form 4768, Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes, to apply for an automatic 6-month extension of time to file. Check

the "Form 706-NA" box in Part II of Form 4768.

### Private delivery services (PDSs).

You can use certain PDSs designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of designated services.

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSStreetAddresses](https://www.irs.gov/PDSStreetAddresses).



**PDSs can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.**

## Where To File

On or before June 30, 2019, file Form 706-NA at the following address.

Department of the Treasury  
Internal Revenue Service Center  
Cincinnati, OH 45999

If using a PDS, use this address.

Internal Revenue Submission  
Processing Center  
201 West Rivercenter Blvd.  
Covington, KY 41011

After June 30, 2019, file Form 706-NA at the following address.

Department of the Treasury  
Internal Revenue Service Center  
Kansas City, MO 64999

If using a PDS, use this address.

Internal Revenue Submission  
Processing Center  
333 W. Pershing  
Kansas City, MO 64108

## Penalties

Section 6651 provides for penalties for both late filing of returns and late payment of tax unless there is reasonable cause for the delay. There are also penalties for willful attempts to evade or defeat payment of tax.

The law also provides for penalties for valuation understatements that cause an underpayment of tax. See sections 6662(g) and (h) for more details.

**Reasonable cause determinations.** If you receive a notice about penalties after you file Form 706-NA, send an

explanation and we will determine if you meet reasonable cause criteria. Do not attach an explanation when you file Form 706-NA. Explanations attached to the return at the time of filing will not be considered.

**Return preparer.** Estate tax return preparers who prepare any return or claim for refund that reflects an understatement of tax liability due to an unreasonable position are subject to a penalty equal to the greater of \$1,000 or 50% of the income earned (or to be earned) for the preparation of each such return. Estate tax return preparers who prepare any return or claim for refund that reflects an understatement of tax liability due to willful or reckless conduct are subject to a penalty of \$5,000 or 75% of the income derived (or income to be derived), whichever is greater, for the preparation of each such return. See section 6694, the related regulations, and Ann. 2009-15, 2009-11 I.R.B. 687, available at [Announcement 2009-15](#), for more information.

## Death Tax Treaties

Death tax treaties are in effect with the following countries.

Australia	Ireland
Austria	Italy
Canada*	Japan
Denmark	Netherlands
Finland	Norway
France	South Africa
Germany	Switzerland
Greece	United Kingdom

\*Article XXIX B of the United States-Canada Income Tax Treaty

If you are reporting any items on this return based on the provisions of a death tax treaty or protocol, attach a statement to this return indicating that the return position is treaty-based. See Regulations section 301.6114-1 for details.

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## Specific Instructions

### Attachments

If the decedent died testate (with a legally valid will), attach a certified copy of the will to Form 706-NA. If you are unable to obtain a certified copy, attach a copy of the will and explain why it could not be certified.

You must also attach a copy of the decedent's death certificate.

For closely held or inactive corporate stock, attach the balance sheets,

particularly the one nearest the valuation date, and statements of the net earnings or operating results and dividends paid for each of the 5 preceding years. Attach any other documents, such as appraisals, needed for explanation. Also attach copies of all available U.S. gift tax returns the decedent filed. Other documents may be required as explained in these instructions.

Attach an English translation to all documents in other languages.

## How To Complete Form 706-NA

First, enter the decedent's name and the other information requested in Part I. On line 2, enter the decedent's social security number (SSN), if applicable, or the decedent's individual taxpayer identification number (ITIN), but only if the decedent had previously used the ITIN to file other U.S. tax returns. If the decedent does not have an SSN or a previously used ITIN, the IRS will assign an Internal Revenue Service Number (IRSN) to the decedent. If the decedent has already been assigned an IRSN, please enter the number on line 2. If the decedent does not have an SSN, ITIN, or an IRSN, leave line 2 blank and complete in Part III.

The estate tax is imposed on the decedent's gross estate in the United States, reduced by allowable deductions. Figure the gross estate in the United States on Schedule A. Reduce the Schedule A total by the allowable deductions to derive the taxable estate on Schedule B, and figure the tax due using Part II. Tax Computation.

### Part III. General Information

**Authorization.** Completing the authorization permits the attorney, accountant, enrolled agent, or other representative indicated to represent the estate before the IRS and receive confidential tax information. It will not authorize the representative to enter into closing agreements for the estate.

**Note.** If you intend for the representative to represent the estate before the IRS, he or she must complete and sign this authorization. If you would like to authorize your representative to perform other acts on behalf of the estate, you must file Form 2848, Power of Attorney and Declaration of Representative. Complete and attach Form 2848 if you would like to authorize:

- Persons other than attorneys, accountants, or enrolled agents to represent the estate;
- More than one person to receive confidential information or represent the estate; or
- Someone to sign agreements, consents, waivers, or other documents for the estate.

If you wish only to authorize someone to inspect or receive confidential tax information verbally and/or in writing, complete and attach Form 8821, Tax Information Authorization. Individuals authorized by Form 8821 are not authorized to:

- Speak on behalf of the estate;
- Execute a request to allow disclosure of tax return or tax return information to another third party;
- Advocate your position with respect to federal tax laws;
- Execute waivers, consents, closing agreements; or
- Represent you in any other manner before the IRS.

**Question 6a.** If you answer "Yes," please attach a statement listing:

- The citizenship of the decedent's parents,
- Whether the decedent became a U.S. citizen through a naturalization proceeding in the United States, and
- When the decedent lost U.S. citizenship or residency.

**Question 6b.** If you answered "Yes," and the decedent lost his or her U.S. citizenship or long-term residence within 10 years of death and prior to June 17, 2008, but maintain that avoiding U.S. taxes was not a principal purpose for the decedent's loss of citizenship or residency, attach documents to sustain your position. See [Definitions](#), earlier.

**Question 9.** A *general power of appointment* is any power of appointment exercisable in favor of the decedent, the decedent's estate, the decedent's creditors, or the creditors of the decedent's estate, and includes the right of a beneficiary to appropriate or consume the principal of a trust. For a complete definition, see section 2041(b).

### Schedule A

Before you complete Schedule A, you must determine what assets are included in the decedent's entire gross estate, wherever located. However, list on Schedule A only those assets located in the United States. Enter the total value of assets located outside the United States on line 2 of Schedule B.

**Entire gross estate.** The entire gross estate is figured the same way for a nonresident alien decedent as for a U.S. citizen or resident. It consists of all property the decedent beneficially owned, wherever located, and includes the following property interests.

- Generally, the full value of property the decedent owned at the time of death as a joint tenant with right of survivorship (but if the surviving spouse is a U.S. citizen, then only half the value of property held by the decedent and surviving spouse either as joint tenants with right of survivorship or as tenants by the entirety). For exceptions, see the instructions for Form 706, Schedule E.
- Property the decedent and a surviving spouse owned as community property to the extent of the decedent's interest in the property under applicable state, possession, or foreign law.
- A surviving spouse's dower or curtesy interest and all substitute interests created by statute.
- Proceeds of insurance on the decedent's life, generally including proceeds receivable by beneficiaries other than the estate.
- Several kinds of transfers the decedent made before death.
- Property in which the decedent either held a general power of appointment at the time of death, or used or released this power in certain ways before death.
- Certain annuities to surviving beneficiaries.

For additional information concerning joint tenancies, tenancies by the entirety, annuities, life insurance, transfers during life, and powers of appointment, see the Instructions for Form 706.

Enter on Schedule A all of the assets that meet both of the following tests.

- They are included in the *entire gross estate*.
- They are located in the United States.

**Determining where assets are located.** Unless a treaty provides otherwise (see [Death Tax Treaties](#), earlier), use the following rules to determine whether assets are located in the United States.

**Real estate and tangible personal property.** Real estate and tangible personal property are located in the United States if they are physically located there.

**Note.** An exception is made for works of art that are owned by a nonresident alien and are located within the United States, if on the date of death the works of art are:

- Imported solely for public exhibition,
- On loan to a nonprofit public gallery or museum, and
- On exhibition or en route to or from exhibition.

**Stock.** Generally, no matter where stock certificates are physically located, stock of corporations organized in or under U.S. law is property located in the United States, and all other corporate stock is property located outside the United States.

**Stock in a regulated investment company (RIC).** For a nonresident alien decedent who died after 2004 and before 2012, a portion of stock in a RIC is treated as property located outside the United States in the proportion of the RIC's qualifying assets in relation to the total assets owned by the RIC at the end of the quarter immediately preceding the decedent's death.

Qualifying assets are assets that, if owned directly by the decedent, would have been:

- Bank deposits and amounts described in section 871(i)(3),
- Portfolio debt obligations,
- Certain original issue discount obligations,
- Debt obligations of a U.S. corporation that are treated as giving rise to foreign source income, and
- Other property not within the United States.

See section 2105(d) for details.

**Insurance proceeds.** Proceeds of insurance policies on the decedent's life are property located outside the United States.

**Debt obligations within United States.** Debt obligations are generally property located in the United States if they are debts of a U.S. citizen or resident, a domestic partnership or corporation, a domestic estate or trust, the United States, a state or state's political subdivision, or the District of Columbia.

**Debt obligations outside United States.** The following debt obligations are generally treated as located outside the United States.

- Debt obligations (whether registered or unregistered) issued after July 18, 1984, if the interest on them would be eligible for tax exemption under section 871(h)(1) had such interest been received by the decedent at the time of his death. However, if the debt earns contingent interest, some or all of it may be considered property in the United States (section 2105(b)(3)).

- Certain short-term original issue discount debt obligations. See section 2105(b)(4) for details.

**Deposits.** The following deposits are treated as located outside the United States if they are not effectively connected with conducting a trade or business within the United States.

- A deposit with a U.S. bank or a U.S. banking branch of a foreign corporation.
- A deposit or withdrawable account with a savings and loan association chartered and supervised under federal or state law.
- An amount held by a U.S. insurance company under an agreement to pay interest.
- A deposit in a foreign branch of a U.S. bank.

If an asset is included in the total gross estate because the decedent owned it at the time of death, apply the above location rules as of the date of the decedent's death. However, if an asset is included in the decedent's total gross estate under one of the transfer provisions (sections 2035, 2036, 2037, and 2038), it is treated as located in the United States if it fulfills these rules either at the time of the transfer or at the time of death.

For example, if an item of tangible personal property was physically located in the United States on the date of a section 2038 transfer but had been moved outside the United States at the time of the decedent's death, the item would be considered still located in the United States and should be listed on Schedule A.

Describe the property on Schedule A in enough detail to enable the IRS to identify it. To determine the fair market value of stocks and bonds, use the rules in the Instructions for Form 706, Schedule B—Stocks and Bonds.

**Stocks.** In descriptions of stock, include:

- The corporation's name;
- The number of shares;
- Whether common or preferred (if preferred, what issue);
- The par value (when needed for identification);
- Nine-digit CUSIP number (defined below); and
- The quotation at which reported.

Give the main exchange for listed stock. For unlisted stock, give the post office address of the main business office of the corporation, the state in which incorporated, and the incorporation date.

**Bonds.** In bond descriptions, include:

- The quantity and denomination,
- Obligor's name,
- Maturity date,
- Interest rate,
- Each date when interest is payable,
- Nine-digit CUSIP number, and
- Series number (if more than one issue).

Give the exchange where the bond is listed. If it is unlisted, give the corporation's main business office.

The CUSIP (Committee on Uniform Security Identification Procedure) number is a nine-digit number that is assigned to all stocks and bonds traded on major exchanges and many unlisted securities. Usually, the CUSIP number is printed on the face of the stock certificate. If you do not have a stock certificate, the CUSIP number may be found on the broker's or custodian's statement or by contacting the company's transfer agent.

If you are required to file Schedule E, G, or H from Form 706, you do not need to enter the assets reported on those schedules on Schedule A of this Form 706-NA. Instead, attach the schedules to Form 706-NA, in column (b) enter "Total from Schedule \_\_, Form 706," and enter the total values from the attached schedules in either column (d) or (e).

If the decedent was a U.S. expatriate, the decedent is treated as owning a prorated share of the U.S. property held by a foreign corporation in which he or she directly or indirectly owned at least 10% of the voting stock and, directly, indirectly, or constructively, owned more than 50% of the stock by vote or value (section 2107(b)).

**Property valuation date.** Generally, property must be valued as of the date of death. Columns (c) and (d) do not apply in this case, and you may use the space to expand descriptions from column (b).

However, you may elect to use the alternate valuation date. To make this election, check the "Yes" box at the beginning of Schedule A. If you do so, the election applies to all property, and you will need to complete each column in Schedule A. Under this election, any property distributed, sold, exchanged, or otherwise disposed of within 6 months after the decedent's death is valued as of the date of the disposition. Any property not disposed of during that

period is valued as of the date 6 months after the decedent's death.

You may not elect alternate valuation unless the election will decrease both the value of the gross estate and the net estate tax due after application of all allowable credits.

### Qualified Conservation Easement Exclusion

Under section 2031(c), you may elect to exclude a portion of the value of land that is subject to a qualified conservation easement. You make the election by attaching Schedule U of Form 706 with all the required information. To elect the exclusion, you must include on Schedule A:

1. The decedent's interest in the land that is subject to the exclusion; and
2. Exclude the applicable value of the land (amount from line 20, Schedule U) that is subject to the easement on Schedule A.

You must make the election on a timely filed Form 706-NA, including extensions. For more information, see the Instructions for Form 706.

### Canadian Small Estate Relief

If you are claiming a small estate exemption (worldwide estate of a Canadian resident decedent not more than \$1.2 million) from tax on U.S. securities or certain other U.S. *situs* property under the 1995 Protocol to the Canadian income tax treaty, do not list the exempt assets on Schedule A.

Instead, list those assets and their values in a statement attached to the return specifying that you are relying on the treaty. To determine initially whether the small estate exemption applies, however, you must include the exempt assets in the value of the entire gross estate, wherever located, on lines 2 and 3 of Schedule B.

### United States-United Kingdom Treaty

If a decedent who was a U.K. national, but was neither domiciled in nor a national of the United States, has property that is subject to U.S. estate tax under the terms of the United States-United Kingdom Treaty, the treaty places a limit on the amount of U.S. estate tax owed on such property. The tax may not exceed the U.S. estate tax that could have been imposed on the decedent's worldwide assets had the decedent died domiciled in the

United States. If the amount of tax on the property exceeds that limit, the lower amount may be reported as the tax due on the Form 706-NA. You must attach to the estate's Form 706-NA a statement showing the alternate computation and claiming the benefit of the treaty provision. See Paragraph 5 of Article 8 of the treaty.

### Schedule B. Taxable Estate



*For the line 5 deduction to be allowed, you must complete lines 1 through 4 and document the amounts you include on lines 2 and 4.*

To document the line 2 amount, attach a certified copy of the foreign death tax return or, if none was filed, a certified copy of the estate inventory and the schedule of debts and charges that were filed with the foreign probate court or as part of the estate's administration proceedings. Supplement these documents with attachments if they do not set forth the entire gross estate outside the United States. If more proof is needed, you will be notified.

To document the line 4 amount, attach an itemized schedule. For each expense or claim, specify the nature and amount and give the creditor's name. Describe other deductions fully and identify any particular property to which they relate.

**Line 2.** The amount on line 2 is the total value of the assets included in the entire gross estate that were located outside the United States. If you claim deductions on line 5 of Schedule B, you must also document the amount you enter on line 2. See the first paragraph under [Schedule B](#) above.

If you elected the alternate valuation date for property listed on Schedule A, use it also for the assets reported on line 2. Otherwise, value the amounts as of the date of death.

**Line 4.** You may deduct the following items whether or not they were incurred or paid in the United States.

- Funeral expenses.
- Administration expenses.
- Claims against the estate.
- Unpaid mortgages and liens.
- Uncompensated losses that were incurred during settlement of the estate and that arose from theft or from casualties, such as fires, storms, or shipwrecks.

You may deduct only that part of a debt or mortgage that was contracted in good faith and for full value in money or money's worth. You may deduct

mortgages only to the extent of the full value of the mortgaged property included in the total gross estate on line 3. Do not deduct tax on income received after death or property taxes accrued after death. See [Line 7](#) below for details on deducting death taxes.

On line 4, show the total of these deductible items. In general, the total is limited to the amount on line 3.

**Line 6.** Use line 6 to enter the following deductions.

**Charitable deduction.** Unless a treaty allows otherwise, you may take a charitable deduction only if the transfer was to a domestic entity or for use in the United States as described in the Instructions for Form 706.

Attach Schedule O of Form 706. If you claim the deduction under a treaty, specify the applicable treaty and attach a computation of the deduction.

**Marital deduction.** Unless a treaty allows otherwise, you may only take a marital deduction if the surviving spouse is a U.S. citizen or if the property passes to a qualified domestic trust (QDOT) described in section 2056A and an election is made on Schedule M of Form 706.

Attach Schedule M of Form 706 and a statement showing your computation of the marital deduction.

See section 2518 for the rules governing disclaimers of interests in property.

**Line 7.** You may take a deduction on line 7 for death taxes (estate, inheritance, legacy, or succession taxes) you paid to any state or the District of Columbia on property listed in Schedule A. To calculate the deduction for state death taxes, use the formula below. Enter the result on line 7.

Total value of assets in the gross estate subject to state death taxes	x	Total state death taxes paid
Gross estate located in the United States (line 1 of Schedule B)		

Generally, you must claim this deduction within 4 years of filing the return. However, see section 2058(b) for exceptions and periods of limitations.

For the deduction to be allowed, you must file a certificate signed by the appropriate official of the taxing state. The certificate should show:

- The total tax charged,
- Any discount allowed,

- Any penalties and interest imposed,
- The tax actually paid, and
- Each payment date.

If possible, attach the certificate to this return; otherwise, please file it as soon as possible.

If you later recover any of the state tax for which you claim this deduction, you must notify the IRS at the following address within 30 days of receiving any refund of state taxes.

Department of the Treasury  
Internal Revenue Service Center  
Kansas City, MO 64999

## Part II. Tax Computation

**Lines 4 and 5.** To determine the tentative tax on the amount on line 2 (to be entered on line 5) and the tentative tax on the amount on line 3 (to be entered on line 4), use Table A—Unified Rate Schedule in the version of the Instructions for Form 706 that corresponds to the decedent's date of death.

**Line 7.** Enter the unified credit. The unified credit is allowed for the smaller of the line 6 amount or the maximum unified credit. In general, the maximum unified credit is \$13,000.

For a citizen of a U.S. possession (see section 2209), the maximum unified credit is the greater of:

- \$13,000, or
- The product of \$46,800 times a fraction.

The numerator of the fraction is the part of the gross estate located in the United States (line 1 of Schedule B), and the denominator is the entire gross estate wherever located (line 3 of Schedule B).

If the unified credit is affected by a treaty, see section 2102(b)(3)(A).

**Note.** At the time this form went to print, treaties with Australia, Canada, Finland, France, Germany, Greece, Italy, Japan, Norway, and Switzerland contained provisions to which section 2102(b)(3)(A) applies.



*Any amount previously allowed as a unified credit against the gift tax will reduce, dollar for dollar, the unified credit allowed the estate (section 2102(b)(3)(B)).*

**Line 9.** Use line 9 to enter the following credits.

**Credit for federal gift taxes.** See sections 2102 and 2012. Attach computation of credit.

**Canadian marital credit.** In addition to the unified credit, a nonrefundable marital credit may be allowed if the executor elects this treaty benefit and waives the benefit of any estate tax marital deduction allowable under U.S. law. The credit amount is generally limited to the lesser of:

- The unified credit allowed to the estate (before reduction for any gift tax unified credit), or
- The amount of estate tax that would otherwise be imposed by the United States on the transfer of qualifying property to the surviving spouse.

See the 1995 Canadian income tax treaty protocol for details on computing the credit. Also, attach a computation of the credit, and on the dotted line to the left of the line 9 entry, write "Canadian marital credit."

**Line 13.** If you answered "Yes" to Question 11 of Part III, you must complete and attach Schedules R and/or R-1 from Form 706.

For the purposes of Form 706-NA, the GST tax is imposed only on transfers of interests in property that are part of the gross estate in the United States. Therefore, when completing Schedules R and/or R-1, you should enter only transfers of interests in property that you listed on Schedule A of Form 706-NA. Otherwise, complete Schedules R and/or R-1 according to their instructions and enter the total GST tax from Schedule R on line 13.

For details, see Regulations section 26.2663-2.

**Line 15.** Attach an explanation if earlier payments were made to the IRS.

**Line 16.** Pay the balance due within 9 months after the decedent's death unless an extension of time to pay was granted. Make the check or money order payable to "United States Treasury" for the face value in U.S. dollars.

**No checks of \$100 million or more accepted.** The IRS cannot accept a single check (including a cashier's check) for amounts of \$100,000,000 (\$100 million) or more. If you're sending \$100 million or more by check, you'll need to spread the payments over two or more checks, with each check made out for an amount less than \$100 million. The \$100 million or more amount limit does not apply to other methods of payment (such as electronic payments).

## Signature(s)



*If there is more than one executor, all listed executors are responsible for the return. However, it is sufficient for only one of the co-executors to sign the return.*

Form 706-NA must be signed. The executor must verify and sign the declaration on page 1 under penalties of perjury. The executor may use Form 2848 to authorize another person to act for him or her before the IRS. See the instructions for the authorization in [Part III. General Information](#), earlier, or the Instructions for Form 2848 and Circular 230, Regulations Governing Practice before the Internal Revenue Service, section 10.7(c)(1)(vii), for information on representing a person or entity located outside the United States.

**Third-party designee.** If you want to allow the return preparer (listed on the bottom of page 1 of Form 706-NA) to discuss your Form 706-NA with the IRS, check the "Yes" box to the far right of your signature on page 1 of your return. If you check the "Yes" box, you are authorizing the IRS to call your return preparer to answer questions that may arise during the processing of your return. You also are authorizing the return preparer of your Form 706-NA to:

- Give the IRS any information that is missing from your return;
- Call the IRS for information about the processing of your return or the status of your payment(s);
- Receive copies of notices or transcripts related to your return, upon request; and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

You are not authorizing your return preparer to receive any refund check, to bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the authorization of your return preparer, see Pub. 947, Practice Before the IRS and Power of Attorney. The authorization will automatically end 3 years from the date of filing Form 706-NA. If you wish to revoke the authorization before it ends, see Pub. 947.

Generally, anyone who is paid to prepare the return must sign the return in the space provided and fill in the "Paid Preparer Use Only" area. See section 7701(a)(36)(B) for exceptions.

In addition to signing and completing the required information, the paid

preparer must give a copy of the completed return to the executor.

**Note.** A paid preparer may sign original or amended returns by rubber stamp,

mechanical device, or computer software program.

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**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Subtitle B and section 6109, and the regulations, require you to provide this information.

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. However, section 6103 allows or requires the Internal Revenue Service to disclose information from this form in certain circumstances. For example, we may disclose information to the Department of Justice for civil or criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. Failure to provide this information, or providing false information, may subject you to penalties.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b>	<b>Learning about the law or the form</b>	<b>Preparing the form</b>	<b>Copying, assembling, and sending the form to the IRS</b>
1 hr., 25 min.	52 min.	1 hr., 36 min.	34 min.

**Comments and suggestions.** If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the tax form to this address. Instead, see [Where To File](#), earlier.

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