

Instructions for Form 706

(Rev. October 2024)

For decedents dying after December 31, 2023

United States Estate (and Generation-Skipping Transfer) Tax Return

2024

Volume 1 of 5



Department of the Treasury
Internal Revenue Service

Instructions for Form 706 (Rev 10-2024) Catalog Number 47720B
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Section references are to the Internal Revenue Code unless otherwise noted.

Revisions of Form 706

For Decedents Dying

After	and Before	Use Revision of Form 706 Dated
December 31, 1998	January 1, 2001	July 1999
December 31, 2000	January 1, 2002	November 2001
December 31, 2001	January 1, 2003	August 2002
December 31, 2002	January 1, 2004	August 2003
December 31, 2003	January 1, 2005	August 2004

December 31, 2004	January 1, 2006	August 2005
December 31, 2005	January 1, 2007	October 2006
December 31, 2006	January 1, 2008	September 2007
December 31, 2007	January 1, 2009	August 2008
December 31, 2008	January 1, 2010	September 2009
December 31, 2009	January 1, 2011	July 2011
December 31, 2010	January 1, 2012	August 2011
December 31, 2011	January 1, 2013	August 2012

December 31, 2012	January 1, 2017	August 2013
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December 31, 2016	January 1, 2018	August 2017
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December 31, 2017	January 1, 2019	November 2018
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December 31, 2018		August 2019
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Future Developments

For the latest information about developments related to Form 706 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form706](https://www.irs.gov/Form706).

What's New

Various dollar amounts and limitations in Form 706 are indexed for inflation. For decedents dying in 2024, the following amounts are applicable.

- The basic exclusion amount is \$13,610,000.
- The ceiling on special-use valuation is \$1,390,000.
- The amount used in figuring the 2% portion of estate tax payable in installments is \$1,850,000.
- The basic credit amount is \$5,389,800.

The IRS will publish amounts for future years in annual revenue procedures.

Reminders

Schedule R-1 is a separate form. Schedule R-1 isn't part of Form 706; instead, you will need to obtain a separate Schedule R-1 to complete and file with Form 706.

Identifying exhibits. Copies of tax returns filed with Form 706 must be identified as exhibits to the Form 706.

General Instructions

Purpose of Form

The executor of a decedent's estate uses Form 706 to figure the estate tax imposed by chapter 11 of the Internal Revenue Code. This tax is levied on the entire taxable estate and not just on the share received by a particular beneficiary. Form 706 is also used to figure the generation-skipping transfer (GST) tax imposed by chapter 13 on direct skips (transfers to skip persons of interests in

property included in the decedent's gross estate).

Which Estates Must File

For decedents who died in 2024, Form 706 must be filed by the executor of the estate of every U.S. citizen or resident:

- a. Whose gross estate, plus adjusted taxable gifts and specific exemption, is more than \$13,610,000; or
- b. Whose executor elects to transfer the deceased spousal unused exclusion (DSUE) amount to the surviving spouse, regardless of the size of the decedent's gross estate. See the instructions for *Part 6—Portability of Deceased Spousal Unused Exclusion*, later, and sections 2010(c)(4) and (c)(5).

To determine whether you must file a return for the estate under (a) above, add:

1. The adjusted taxable gifts (as defined in section 2503) made by the decedent after December 31, 1976;
2. The total specific exemption allowed under section 2521 (as in effect before its repeal by the Tax Reform Act of 1976) for gifts made by the decedent after September 8, 1976; and
3. The decedent's gross estate valued as of the date of death.

Gross Estate

The gross estate includes all property in which the decedent had an interest (including property outside the United States). It also includes:

- Certain transfers made during the decedent's life without an adequate and

full consideration in money or money's worth,

- Annuities,
- The includible portion of joint estates with right of survivorship (see the instructions for Schedule E),
- The includible portion of tenancies by the entirety (see the instructions for Schedule E),
- Certain life insurance proceeds (even though payable to beneficiaries other than the estate) (see the instructions for Schedule D),
- Digital assets (see the instructions for Schedule F),
- Property over which the decedent possessed a general power of appointment,
- Dower or curtesy (or statutory estate) of the surviving spouse, and

- Community property to the extent of the decedent's interest as defined by applicable law.

Note. Under the special rule of Regulations section 20.2010-2(a)(7)(ii), executors of estates who are not required to file Form 706 under section 6018(a), but who are filing to elect portability of the DSUE amount to the surviving spouse, are not required to report the value of certain property eligible for the marital deduction under section 2056 or 2056A or the charitable deduction under section 2055. However, the value of those assets must be estimated and included in the total value of the gross estate. See the instructions for *Part 5—Recapitulation*, items 10 and 23, later, for more information.

For more specific information, see the instructions for Schedules A through I.

U.S. Citizens or Residents; Nonresident Noncitizens

File Form 706 for the estates of decedents who were either U.S. citizens or U.S. residents at the time of death. For estate tax purposes, a resident is someone who had a domicile in the United States at the time of death. A person acquires a domicile by living in a place for even a brief period of time, as long as the person had no intention of moving from that place. See Regulations section 20.0-1(b).

Decedents who were neither U.S. citizens nor U.S. residents at the time of death file Form 706-NA, United States Estate (and Generation-Skipping Transfer) Tax Return, Estate of nonresident not a citizen of the United States.

Residents of U.S. Territories

All references to citizens of the United States are subject to the provisions of sections 2208

and 2209, relating to decedents who were U.S. citizens and residents of a U.S. territory on the date of death. If such decedents became U.S. citizens only because of their connections with a territory, then the decedents are considered nonresidents not citizens of the United States for estate tax purposes, and you should file Form 706-NA. If such decedents became U.S. citizens wholly independently of their connections with a territory, then the decedents are considered U.S. citizens for estate tax purposes, and you should file Form 706.

Executor

The term “executor” includes the executor, personal representative, or administrator of the decedent's estate. If none of these is appointed, qualified, and acting in the United States, every person in actual or constructive possession of any property of the decedent is considered an executor and must file a return.

Executors must provide documentation proving their status. Documentations will vary but may include documents such as certified copies of wills or court orders designating the executor(s). Statements by executors attesting to their status are insufficient.

When To File

You must file Form 706 to report estate and/or GST tax within 9 months after the date of the decedent's death. If you are unable to file Form 706 by the due date, you may receive an extension of time to file. 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.

Portability election. An executor can only elect to transfer the DSUE amount to the surviving spouse if the Form 706 is filed timely, that is, within 9 months of the

decedent's date of death or, if you have received an extension of time to file, before the 6-month extension period ends.

Extension to elect portability. Executors who did not have a filing requirement under section 6018(a) but failed to timely file Form 706 to make the portability election may be eligible for an extension under Rev. Proc. 2022-32, 2022-30 I.R.B. 101 (superseding Rev. Proc. 2017-34, 2017-26 I.R.B. 1282). Executors filing to elect portability may now file Form 706 on or before the fifth anniversary of the decedent's death.

An executor wishing to elect portability under this extension must state at the top of the Form 706 being filed that the return is "Filed Pursuant to Rev. Proc. 2022-32 to Elect Portability under section 2010(c)(5)(A)." For more information on this extension, see [Rev. Proc. 2022-32](#).

Note. Any estate that is filing an estate tax return only to elect portability and did not file timely or within the extension provided in Rev. Proc. 2022-32 may seek relief under Regulations section 301.9100-3 to make the portability election.

Where To File

File Form 706 at the following address.

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

If you're using a private delivery service (PDS), file at this address.

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

If you're filing an amended Form 706, use the following address.

Internal Revenue Service Center
Attn: E&G, Stop 824G
7940 Kentucky Drive
Florence, KY 41042-2915

If you're using a PDS for your amended Form 706, use this address.

Internal Revenue Service Center
Attn: E&G, Stop 824G
7940 Kentucky Drive
Florence, KY 41042-2915

Paying the Tax

The estate and GST taxes are due within 9 months of the date of the decedent's death. You may request an extension of time for payment by filing Form 4768. You may also elect under section 6166 to pay in installments or under section 6163 to postpone the part of the tax attributable to a reversionary or remainder interest. These elections are made by checking "Yes" on lines 3 and 4 (respectively) of *Part 3—Elections by*

the Executor and attaching the required statements.

If the tax paid with the return is different from the balance due as figured on the return, explain the difference in an attached statement. If you have made prior payments to the IRS, attach a statement to Form 706 including these facts.

Paying by check. Make the check payable to "United States Treasury." Please write the decedent's name, social security number (SSN), and "Form 706" on the check to assist us in posting it to the proper account.

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). Please consider a method of payment other than a check if the amount of the payment is over \$100 million.

Electronic Federal Tax Payment System (EFTPS). Payment of the tax due shown on Form 706 may be submitted electronically through EFTPS. EFTPS is a free service of the Department of the Treasury.

To be considered timely, payments made through EFTPS must be completed no later than 8 p.m. Eastern time the day before the due date. All EFTPS payments must be scheduled in advance of the due date and, if necessary, may be changed or canceled up to 2 business days before the scheduled payment date.

To get more information about EFTPS or to enroll in EFTPS, visit [EFTPS.gov](https://eftps.gov) or call 800-555-4477. To contact EFTPS using Telecommunications Relay Service (TRS) for

people who are deaf, hard of hearing, or have a speech disability, dial 711 and then provide the TRS assistant the 800-555-4477 number, above, or 800-733-4829. Additional information about EFTPS is available in Pub. 966, Electronic Federal Tax Payment System: A Guide to Getting Started.

Same-day wire. Payment of the tax due shown on Form 706 may be submitted electronically through same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

What you need to know about making a same-day wire payment.

- You do not need to enroll to make a same-day wire payment, and no PIN is needed.
- Your financial institution may charge a fee for this service.

- The cutoff time to make a same-day wire payment is 5 p.m. Eastern time. Your financial institution may have an earlier cutoff time.
- Download and complete page 1 of the Same-Day Taxpayer Worksheet, and provide pages 1 and 2 to your financial institution. See *How do I make an electronic payment* under [Frequently asked questions on estate taxes](#), on *IRS.gov* for the worksheet and more information.

Signature and Verification



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.

All executors are responsible for the return as filed and are liable for penalties imposed for erroneous or false returns.

If two or more persons are liable for filing the return, they should all join together in filing one complete return. However, if they are unable to join in making one complete return, each is required to file a return disclosing all the information the person has about the estate, including the name of every person holding an interest in the property and a full description of the property. If the appointed, qualified, and acting executor is unable to make a complete return, then every person holding an interest in the property must, on notice from the IRS, make a return regarding that interest.

The executor who files the return must, in every case, sign the declaration on page 1 under penalties of perjury.

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.

Amending Form 706

If you find that you must change something on a return that has already been filed, you should:

- File another Form 706;
- Enter "Supplemental Information" across the top of page 1 of the form;
- Include a statement of what has changed, along with the supporting information; and

- Attach a copy of pages 1, 2, 3, and 4 of the original Form 706 that has already been filed.

For the mailing address for supplemental Form 706, see [Filing Estate and Gift Tax Returns.](#)

File the amended Form 706 at the following address.

Internal Revenue Service Center
Attn: E&G, Stop 824G
7940 Kentucky Drive
Florence, KY 41042-2915

If you're using a PDS, file at this address.

Internal Revenue Service Center
Attn: E&G, Stop 824G
7940 Kentucky Drive
Florence, KY 41042-2915

If you have already been notified that the return has been selected for examination, you should provide the additional information

directly to the office conducting the examination.

Supplemental Documents

Note. You must attach the death certificate to the return.

If the decedent was a citizen or resident of the United States and died testate (leaving a valid will), attach a certified copy of the will to the return. If you cannot obtain a certified copy, attach a copy of the will and an explanation of why it is not certified. Other supplemental documents may be required, as explained later. Examples include Form 712, Life Insurance Statement; Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return; Form 706-CE, Certificate of Payment of Foreign Death Tax; trust and power of appointment instruments; and state certification of payment of death taxes. If you do not file these documents with

the return, the processing of the return will be delayed.

If the decedent was a U.S. citizen but not a resident of the United States, you must attach the following documents to the return.

1. A copy of the inventory of property and the schedule of liabilities, claims against the estate, and expenses of administration filed with the foreign court of probate jurisdiction, certified by a proper official of the court.
2. A copy of the return filed under the foreign inheritance, estate, legacy, succession tax, or other death tax act, certified by a proper official of the foreign tax department, if the estate is subject to such a foreign tax.
3. If the decedent died testate, a certified copy of the will.

Rounding Off to Whole Dollars

You may round off cents to whole dollars on the return and schedules. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

Penalties

Late filing and late payment. Section 6651 provides for penalties for both late filing and for late payment unless there is reasonable cause for the delay. The law also provides for penalties for willful attempts to evade payment of tax. The late filing penalty will not be imposed if the taxpayer can show that the failure to file a timely return is due to reasonable cause.

Reasonable-cause determinations. If you receive a notice about penalties after you file Form 706, send an explanation and we will determine if you meet reasonable-cause criteria.

Do not attach an explanation when you file Form 706. Explanations attached to the return at the time of filing will not be considered.

Valuation understatement. Section 6662 provides a 20% penalty for the underpayment of estate tax that exceeds \$5,000 when the underpayment is attributable to valuation understatements. A valuation understatement occurs when the value of property reported on Form 706 is 65% or less of the actual value of the property.

This penalty increases to 40% if there is a gross valuation understatement. A gross valuation understatement occurs if any property on the return is valued at 40% or less of the value determined to be correct.

Penalties also apply to late filing, late payment, and underpayment of GST taxes.

Return preparer. Estate tax return preparers who prepare any return or claim for refund which 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 a return or claim for refund which 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 earned (or income to be earned), whichever is greater, for the preparation of each such return.

Estate tax return preparers who prepare any return or claim for a refund are required to furnish a copy to the taxpayer, sign the return, and provide their PTIN, but who fail to do so, are subject to a penalty of \$50 for such

failure, unless it is shown that such failure is due to reasonable cause and not due to willful neglect.

See sections 6694 and 6695, the related regulations, and Announcement 2009-15, 2009-11 I.R.B. 687, available at [Announcement 2009-15](#), for more information.

Consistent Basis Reporting

Certain 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 the due date (including extensions) of Form 706 or the date of filing Form 706 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, separately from the Form 706. Failure to file Form 8971, when required, is subject to information return penalties under sections 6721 and 6722. See Form 8971 and its instructions for more information.

Estate Tax Closing Letters

An estate tax closing letter (ETCL) will not be issued unless a request is made via [Pay.gov](https://pay.gov). To allow time for processing, please wait at least 9 months after filing Form 706 to request an ETCL.

ETCL fee. Effective October 28, 2021, final regulations [TD 9957](#) established a user fee of \$67 for persons requesting the issuance of an ETCL. To make an ETCL request after October 28, 2021, you must go to [Pay.gov](https://pay.gov) to submit a request and pay the user fee. Go to

[*Frequently Asked Questions on the Estate Tax Closing Letter*](#), for instructions and more information related to ETCLs.

Account transcript in lieu of ETCL. Instead of an ETCL, the executor of the estate may request an account transcript, which reflects transactions including the acceptance of Form 706 or 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. Go to [*Transcripts in Lieu of Estate Tax Closing Letters*](#) for specific instructions to request online transcripts using the TDS or hardcopy transcripts using Form 4506-T.

Note. For information about the release of nonresident U.S. citizen decedents' assets using transfer certificates under Regulations section 20.6325-1, go to

[Transfer Certificate Filing Requirements for the Estates of Nonresident Citizens of the United States](#) or write to:

Internal Revenue Service Center
Attn: E&G, Stop 824G
7940 Kentucky Drive
Florence, KY 41042-2915

Obtaining Forms and Publications To File or Use

Internet. You can access the IRS website at [IRS.gov](https://www.irs.gov) 24 hours a day, 7 days a week to:

- Download forms, including talking tax forms, instructions, and publications;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword;
- Use the online Internal Revenue Code, regulations, or other official guidance;

- View Internal Revenue Bulletins (IRBs) published in the last few years; and
- Sign up to receive local and national tax news by email. **Other forms that may be required.**
- Form SS-5, Application for a Social Security Card.
- Form 706-CE, Certificate of Payment of Foreign Death Tax.
- Form 706-NA, United States Estate (and Generation-Skipping Transfer) Tax Return, Estate of nonresident not a citizen of the United States.
- Form 709-NA, United States Gift (and Generation-Skipping Transfer) Tax Return of Nonresident Not a Citizen of the United States.
- Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return.

- Form 712, Life Insurance Statement.
- Form 2848, Power of Attorney and Declaration of Representative.
- Form 4768, Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes.
- Form 4808, Computation of Credit for Gift Tax.
- Form 8821, Tax Information Authorization.
- Form 8822, Change of Address.
- Form 8971, Information Regarding Beneficiaries Acquiring Property From a Decedent.

Additional information. Pub. 559, Survivors, Executors, and Administrators, may assist you in learning about and preparing Form 706.

Specific Instructions

You must file the first four pages of Form 706 and all required schedules. File Schedules A through I, as appropriate, to support the entries in items 1 through 9 of *Part 5—Recapitulation*.



Make sure to complete the required pages and schedules in their entirety. Returns filed without entries in each field will not be processed.

IF . . .	THEN . . .
you enter zero on any item of the Recapitulation	you need not file the schedule (except for Schedule F) referred to on that item.
you are estimating the value of one or more assets	you must report the asset on the appropriate schedule,

pursuant to the special rule of Regulations section 20.2010-2(a)(7)(ii)	but you are not required to enter a value for the asset. Include the estimated value of the asset in the totals entered on <i>Part 5—Recapitulation</i> , items 10 and 23.
you claim an exclusion on item 12	complete and attach Schedule U.
you claim any deductions on items 14 through 22 of the Recapitulation	complete and attach the appropriate schedules to support the claimed deductions.
you claim credits for foreign death taxes or tax on prior transfers	complete and attach Schedule P or Q.

there is not enough space on a schedule to list all the items	attach a Continuation Schedule (or additional sheets of the same size) to the back of the schedule (see the Continuation Schedule at the end of Form 706); photocopy the blank schedule before completing it, if you will need more than one copy.
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Also consider the following.

- Form 706 has 29 numbered pages.
- Number the items you list on each schedule, beginning with the number “1” each time, or using the numbering convention as indicated on the schedule (for example, Schedule M).

- Total the items listed on the schedule and its attachments, Continuation Schedules, etc.
- Enter the total of all attachments, Continuation Schedules, etc., at the bottom of the printed schedule, but do not carry the totals forward from one schedule to the next.
- Enter the total, or totals, for each schedule on page 3,
Part 5—Recapitulation.
- Do not complete the “Alternate valuation date” or “Alternate value” columns of any schedule unless you elected alternate valuation on *Part 3—Elections by the Executor*, line 1.
- When you complete the return, staple all the required pages together in the proper order.

Part 1—Decedent and Executor

Line 2

Enter the SSN assigned specifically to the decedent. You cannot use the SSN assigned to the decedent's spouse. If the decedent did not have an SSN, the executor should obtain one for the decedent by filing Form SS-5 with a local Social Security Administration (SSA) office.

Line 3a

Enter the decedent's domicile at the date of death. This should include:

- City, town, or post office;
- County;
- State or province;
- Country; and
- ZIP code or foreign postal code.

The domicile should be the decedent's address and not the hospital or hospice address.

Line 3b

Enter the year the decedent established the domicile entered on line 3a. For estate tax purposes, a person acquires a domicile in a place by living there, for even a brief period of time, with no definite present intention of later moving. For this purpose, the United States includes only the states and the District of Columbia. See Regulations section 20.0-1 for more information. If the decedent's domicile is other than the United States, see *Residents of U.S. Territories*, earlier.

Line 6a. Name of Executor

If there is more than one executor, enter the name of the executor to be contacted by the IRS and see line 6d.

Line 6b. Executor's Address

Use Form 8822 to report a change of the executor's address.

Line 6c. Executor's Social Security Number

Only one executor should complete this line. If there is more than one executor, see line 6d.

Line 6d. Multiple Executors

Check here if there is more than one executor. On an attached statement, provide the name, address, telephone number, and SSN of any executor other than the one named on line 6a.

Line 11. Special Rule

If the estate is estimating the value of assets under the special rule of Regulations section 20.2010-2(a)(7)(ii), check here and see the instructions for *Part 5—Recapitulation*, items 10 and 23.

Table A—Unified Rate Schedule

Column A Taxable amount over	Column B Taxable amount not over	Column C Tax on amount in column A	Column D Rate of tax on excess over amount in column A
\$0	\$10,000	\$0	18%
10,000	20,000	1,800	20%
20,000	40,000	3,800	22%
40,000	60,000	8,200	24%
60,000	80,000	13,000	26%
80,000	100,000	18,200	28%
100,000	150,000	23,800	30%
150,000	250,000	38,800	32%
250,000	500,000	70,800	34%
500,000	750,000	155,800	37%
750,000	1,000,000	248,300	39%
1,000,000	-----	345,800	40%

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Part 2—Tax Computation

In general, the estate tax is figured by applying the unified rates shown in Table A to the total of transfers both during life and at death, and then subtracting the gift taxes, as refigured based on the date of death rates. See Worksheet TG, the Line 4 Worksheet, and the Line 7 Worksheet.

Note. You must complete *Part 2—Tax Computation*.

Line 1

If you elected alternate valuation on *Part 3—Elections by the Executor*, line 1, enter the amount you entered in the “Alternate value” column of *Part 5—Recapitulation*, item 13. Otherwise, enter the amount from the “Value at date of death” column.

Line 3b. State Death Tax Deduction

You may take a deduction on line 3b for estate, inheritance, legacy, or succession

taxes paid on any property included in the gross estate as the result of the decedent's death to any state or the District of Columbia.

You may claim an anticipated amount of deduction and figure the federal estate tax on the return before the state death taxes have been paid. However, the deduction cannot be finally allowed unless you pay the state death taxes and claim the deduction within 4 years after the return is filed, or later (see section 2058(b)) if:

- A petition is filed with the Tax Court of the United States,
- You have an extension of time to pay, or
- You file a claim for refund or credit of an overpayment which extends the deadline for claiming the deduction.

Note. The deduction is not subject to dollar limits.

If you make a section 6166 election to pay the federal estate tax in installments and make a similar election to pay the state death tax in installments, see section 2058(b) for exceptions and periods of limitation.

If you transfer property other than cash to the state in payment of state inheritance taxes, the amount you may claim as a deduction is the lesser of the state inheritance tax liability discharged or the fair market value (FMV) of the property on the date of the transfer. For more information on the application of such transfers, see the principles discussed in Rev. Rul. 86-117, 1986-2 C.B. 157, prior to the repeal of section 2011.

Send the following evidence to the IRS.

1. Certificate of the proper officer of the taxing state, or the District of Columbia, showing the following.

- a. Total amount of tax imposed (before adding interest and penalties and before allowing discount).
 - b. Amount of discount allowed.
 - c. Amount of penalties and interest imposed or charged.
 - d. Total amount actually paid in cash.
 - e. Date of payment.
2. Any additional proof the IRS specifically requests.

File the evidence requested above with the return, if possible. Otherwise, send it as soon as possible after the return is filed.

Line 6

To figure the tentative tax on the amount on line 5, use Table A—Unified Rate Schedule and put the result on this line.

Lines 4 and 7

Three worksheets are provided to help you figure the entries for these lines. Worksheet TG—Taxable Gifts Reconciliation allows you to reconcile the decedent's lifetime taxable gifts to figure totals that will be used for the Line 4 Worksheet and the Line 7 Worksheet.

You must have all of the decedent's gift tax returns (Forms 709) before completing Worksheet TG—Taxable Gifts Reconciliation. The amounts needed for Worksheet TG can usually be found on the filed returns that were subject to tax. However, if any of the returns were audited by the IRS, use the amounts that were finally determined as a result of the audits.

In addition, you must make a reasonable effort to discover any gifts in excess of the annual exclusion made by the decedent (or on behalf of the decedent under a power of attorney) for which no Forms 709 were filed. Include the value of such gifts in column b of

Worksheet TG. The annual exclusion per donee is as follows.

Period	Annual Exclusion Amount Per Donee
1977 through 1981	\$3,000
1981 through 2001	\$10,000
2002 through 2005	\$11,000
2006 through 2008	\$12,000
2009 through 2012	\$13,000
2013 through 2017	\$14,000
2018 through 2021	\$15,000
2022	\$16,000
2023	\$17,000
2024	\$18,000

Taxable Gift Amount Table

Column A	Column B	Column C	Column D
Amount in Row (p), Line 7 Worksheet over...	Amount in Row (p), Line 7 Worksheet not over...	Property Value on Amount in Column A	Rate (Divisor) on Excess of Amount in Column A
\$0	\$1,800	\$0	18%
1,800	3,800	10,000	20%
3,800	8,200	20,000	22%
8,200	13,000	40,000	24%
13,000	18,200	60,000	26%
18,200	23,800	80,000	28%

23,800	38,800	100,000	30%
38,800	70,800	150,000	32%
70,800	155,800	250,000	34%
155,800	248,300	500,000	37%
248,300	345,800	750,000	39%
345,800	- - - - -	1,000,000	40%

How to complete the Line 7 Worksheet.

Row (a). Beginning with the earliest year in which the taxable gifts were made, enter the tax period of prior gifts. If you filed returns for gifts made after 1981, enter the calendar year in Row (a) as (YYYY). If you filed returns for gifts made after 1976 and before 1982, enter the calendar quarters in Row (a) as (YYYY-Q).

Row (b). Enter all taxable gifts made in the specified year.

Enter all pre-1977 gifts in the pre-1977 column. **Row (c).** Enter the amount from Row (d) of the *previous* column.

Row (d). Enter the sum of Row (b) and Row (c) from the current column.

Row (e). Enter the amount from Row (f) of the *previous* column.

Row (f). Enter the tax based on the amount in Row (d) of the current column using Table A—Unified Rate Schedule. **Row (g).** Subtract the amount in Row (e) from the amount in Row (f) for the current column.

Row (h). Complete this row only if a DSUE amount was received from predeceased spouse(s) and was applied to lifetime gifts or if a Restored Exclusion Amount on taxable gifts to a same-sex spouse was applied to lifetime gifts (or both). Enter the sum of lines 2 and 3 from Schedule C on the Form 709

filed for the year listed in Row (a) for the amount to be entered in this row.

Row (i). Enter the applicable amount from the Table of Basic Exclusion Amounts.

Row (j). Enter the sum of Row (h) and Row (i). **Row (k).** Figure the applicable credit on the amount in Row (j) using Table A—Unified Rate Schedule, and enter here. **Note.** The

entries in each column of Row (k) must be reduced by 20% of the amount allowed as a specific exemption for gifts made after

September 8, 1976, and before January 1, 1977 (but no more than \$6,000). **Row (l).**

Add the amounts in Row (l) and Row (n) from the **previous** column.

Row (m). Subtract the amount in Row (l) from the amount in Row (k) to determine the amount of any available credit. Enter the result in Row (m).

Row (n). Enter the lesser of the amounts in Row (g) or Row (m).

Row (o). Subtract the amount in Row (n) from the amount in Row (g) for the current column.

Row (p). Subtract the amount in Row (o) from the amount in Row (f) for the current column.

Row (q). Enter the Cumulative Taxable Gift amount based on the amount in Row (p) using the Taxable Gift Amount Table. **Row**

(r). If Row (o) is greater than zero in the applicable period, subtract Row (q) from Row (d). If Row (o) is not greater than zero, enter -0-.

Repeat for each year in which taxable gifts were made.



Remember to submit a copy of the Line 7 Worksheet when you file Form 706. If additional space is needed to report prior gifts, please attach additional sheets.

Table of Basic Exclusion Amounts

Period	Basic Exclusion Amount	Credit Equivalent at 2024 Rates
1977 (Quarters 1 and 2)	\$30,000	\$6,000
1977 (Quarters 3 and 4)	\$120,667	\$30,000
1978	\$134,000	\$34,000
1979	\$147,333	\$38,000
1980	\$161,563	\$42,500
1981	\$175,625	\$47,000

1982	\$225,000	\$62,800
1983	\$275,000	\$79,300
1984	\$325,000	\$96,300
1985	\$400,000	\$121,800
1986	\$500,000	\$155,800
1987 through 1997	\$600,000	\$192,800
1998	\$625,000	\$202,050
1999	\$650,000	\$211,300
2000 and 2001	\$675,000	\$220,550
2002 through 2010	\$1,000,000	\$345,800

2011	\$5,000,000	\$1,945,800
2012	\$5,120,000	\$1,993,800
2013	\$5,250,000	\$2,045,800
2014	\$5,340,000	\$2,081,800
2015	\$5,430,000	\$2,117,800
2016	\$5,450,000	\$2,125,800
2017	\$5,490,000	\$2,141,800
2018	\$11,180,000	\$4,417,800
2019	\$11,400,000	\$4,505,800
2020	\$11,580,000	\$4,577,800

2021	\$11,700,000	\$4,625,800
2022	\$12,060,000	\$4,769,800
2023	\$12,920,000	\$5,113,800
2024	\$13,610,000	\$5,389,800

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Worksheet TG—Taxable Gifts Reconciliation

Worksheet TG—Taxable Gifts Reconciliation (To be used for lines 4 and 7 of the Tax Computation)						
Gifts made after June 6, 1932, and before 1977	a. Calendar year or calendar quarter	b. Total taxable gifts for period (see Note)	Note. For the definition of a taxable gift, see section 2503. Follow Form 709. That is, include only the decedent's one-half of split gifts, whether the gifts were made by the decedent or the decedent's spouse. In addition to gifts reported on Form 709, you must include any taxable gifts in excess of the annual exclusion that were not reported on Form 709.			
			c. Taxable amount included in column b for gifts included in the gross estate	d. Taxable amount included in column b for gifts that qualify for "special treatment of split gifts" described below	e. Gift tax paid by decedent on gifts in column d	f. Gift tax paid by decedent's spouse on gifts in column c
	1. Total taxable gifts made before 1977					
Gifts made after 1976						
2. Totals for gifts made after 1976						

Line 4 Worksheet—Adjusted Taxable Gifts Made After 1976				
1. Taxable gifts made after 1976. Enter the amount from Worksheet TG, line 2, column b			1.	
2. Taxable gifts made after 1976 reportable on Schedule G. Enter the amount from Worksheet TG, line 2, column c		2.		
3. Taxable gifts made after 1976 that qualify for "special treatment." Enter the amount from Worksheet TG, line 2, column d		3.		
4. Add lines 2 and 3			4.	
5. Adjusted taxable gifts. Subtract line 4 from line 1. Enter here and on Part 2—Tax Computation, line 4			5.	

Worksheet TG—Taxable Gifts Reconciliation

Line 7 Worksheet, Part A—Used to determine Applicable Credit Allowable for Prior Periods after 1976					
(a)	Tax Period ¹	Pre-1977			
(b)	Taxable Gifts for Applicable Period				
(c)	Taxable Gifts for Prior Periods ²				
(d)	Cumulative Taxable Gifts Including Applicable Period (add Row (b) and Row (c))				
(e)	Tax at Date of Death Rates for Prior Gifts (from Row (c)) ³				
(f)	Tax at Date of Death Rates for Cumulative Taxable Gifts Including Applicable Period (from Row (d))				
(g)	Tax at Date of Death Rates for Gifts in Applicable Period (subtract Row (e) from Row (f))				
(h)	Total DSUE applied and Restorable Exclusion Amount from Prior Periods and Applicable Period (see instructions later)				
(i)	Basic Exclusion for Applicable Period (Enter the amount from the Table of Basic Exclusion Amounts)				
(j)	Applicable Exclusion Amount (add Row (h) and Row (i))				
(k)	Maximum Applicable Credit amount based on Row (j) (Using Table A—Unified Rate Schedule) ⁴				
(l)	Applicable Credit amount used in Prior Periods (add Row (l) and Row (n) from prior period)				
(m)	Available Credit in Applicable Period (subtract Row (l) from Row (k))				
(n)	Credit Allowable (lesser of Row (g) or Row (m))				
(o)	Tax paid or payable at Date of Death rates for Applicable Period (subtract Row (n) from Row (g))				
(p)	Tax on Cumulative Gifts less tax paid or payable for Applicable Period (subtract Row (o) from Row (f))				
(q)	Cumulative Taxable Gifts less Gifts in the Applicable Period on which tax was paid or payable based on Row (p) (Using the Taxable Gift Amount Table)				
(r)	Gifts in the Applicable Period on which tax was payable (subtract Row (q) from Row (d))				
Line 7 Worksheet, Part B					
1	Total gift taxes payable on gifts after 1976 (sum of amounts in Row (o)).				
2	Gift taxes paid by the decedent on gifts that qualify for “special treatment.” Enter the amount from Worksheet TG, line 2, col. e.				
3	Subtract line 2 from line 1.				
4	Gift tax paid by decedent's spouse on split gifts included on Schedule G. Enter amount from Worksheet TG, line 2, col. f.				
5	Add lines 3 and 4. Enter here and on <i>Part 2—Tax Computation</i> , line 7.				
6	Cumulative lifetime gifts on which tax was paid or payable. Enter this amount on Form 706, <i>Part 6—Portability of Deceased Spousal Unused Exclusion (DSUE)</i> , Section C, line 3 (sum of amounts in Row (r)).				
¹ Row (a): For annual returns, enter the tax period as (YYYY). For quarterly returns, enter tax period as (YYYY-Q). ² Row (c): Enter amount from Row (d) of the previous column. ³ Row (e): Enter amount from Row (f) of the previous column. ⁴ Row (k): Figure the applicable credit on the amount in Row (j), using Table A—Unified Rate Schedule, and enter here. (For each column in Row (k), subtract 20% of any amount allowed as a specific exemption for gifts made after September 8, 1976, and before January 1, 1977.)					

Note. In figuring the line 7 amount, do not include any tax paid or payable on gifts made before 1977. The line 7 amount is a hypothetical figure used to figure the estate tax.

Special treatment of split gifts. These special rules apply only if:

- The decedent's spouse predeceased the decedent;
- The decedent's spouse made gifts that were "split" with the decedent under the rules of section 2513;
- The decedent was the "consenting spouse" for those split gifts, as that term is used on Form 709; and
- The split gifts were included in the decedent's spouse's gross estate under section 2035.

If all four conditions above are met, do not include these gifts on line 4 of the Tax Computation and do not include the gift taxes payable on these gifts on line 7 of the Tax Computation. These adjustments are incorporated into the worksheets.

Lines 9a Through 9e. Applicable Credit Amount (Formerly Unified Credit Amount)

The *applicable credit amount* is allowable credit against estate and gift taxes. It is figured by determining the tentative tax on the *applicable exclusion amount*, which is the amount that can be transferred before an estate tax liability will be incurred.

The applicable exclusion amount equals the total of lines 9a, 9b, and 9c. See *Lines 9d and 9e, applicable exclusion and credit amount*, later, for more information.

Line 9a, basic exclusion amount. In 2024, the basic exclusion amount, as adjusted for inflation under section 2010(c)(3), is \$13,610,000.

Line 9b, DSUE. If the decedent had a spouse who died after 2010, whose estate did not use all of its applicable exclusion against gift or estate tax liability, a DSUE amount may be available for use by the decedent's estate. If the predeceased spouse died in 2011, the DSUE amount was figured and attached to the predeceased spouse's Form 706. If the predeceased spouse died in 2012 or after, this amount is found in Part 6, Section C, of the Form 706 filed by the estate of the decedent's predeceased spouse. The amount to be entered on line 9b is figured in Part 6, Section D.

Line 9c, restored exclusion amount. If a decedent made a taxable gift during the decedent's lifetime to the decedent's same-sex spouse and that transfer resulted in a

reduction of the decedent's available applicable exclusion amount, the amount of the applicable exclusion that was reduced can be restored. If the applicable exclusion was previously restored on a Form 709, enter the value on Schedule C, line 3, of Form 709. If the applicable exclusion has not yet been previously restored, follow the directions in the instructions for Form 709, Schedule C, to determine the Restored Exclusion Amount. The Restored Exclusion Amount is entered on line 9c.

Lines 9d and 9e, applicable exclusion and credit amount. The total of lines 9a, 9b, and 9c is entered on line 9d. If the amounts entered on both lines 9b and 9c are zero, enter \$5,389,800 on line 9e. Otherwise, determine the applicable credit on the amount on line 9d by using Table A—Unified Rate Schedule and enter the result on line 9e.

Line 10. Adjustment to Applicable Credit

If the decedent made gifts (including gifts made by the decedent's spouse and treated as made by the decedent by reason of gift splitting) after September 8, 1976, and before January 1, 1977, for which the decedent claimed a specific exemption, the applicable credit amount on this estate tax return must be reduced. The reduction is figured by entering 20% of the specific exemption claimed for these gifts.

Note. The specific exemption was allowed by section 2521 for gifts made before January 1, 1977.

If the decedent did not make any gifts between September 8, 1976, and January 1, 1977, or if the decedent made gifts during that period but did not claim the specific exemption, enter zero.

Line 15. Total Credits

Generally, line 15 is used to report the total of credit for foreign death taxes (line 13) and credit for tax on prior transfers (line 14).

However, you may also use line 15 to report credit taken for federal gift taxes imposed by chapter 12 of the Code, and the corresponding provisions of prior laws, on certain transfers the decedent made before January 1, 1977, that are included in the gross estate. The credit cannot be more than the amount figured by the following formula.

Gross estate tax minus (the sum of the state death taxes and unified credit)

Value of gross estate minus (the sum of the deductions for charitable, public, and similar gifts and bequests and marital deduction)

x Value of
included
gift

When taking the credit for pre-1977 federal gift taxes:

- Include the credit in the amount on line 15; and
- Identify and enter the amount of the credit you are taking on the dotted line to the left of the entry space for line 15 on page 1 of Form 706 with a notation, "Section 2012 credit."

For more information, see the regulations under section 2012. This computation may be made using Form 4808. Attach a copy of a completed Form 4808 or the computation of the credit. Also, attach all available copies of Forms 709 filed by the decedent, with "Exhibit to Estate Tax Return" entered across the top of the first page of each, to help verify the amounts entered on lines 4 and 7, and the amount of credit taken (on line 15) for pre-1977 federal gift taxes.

Canadian marital credit. In addition to using line 15 to report credit for federal gift taxes on pre-1977 gifts, you may also use line 15 to claim the Canadian marital credit, where applicable.

When taking the marital credit under the 1995 Canadian Protocol:

- Include the credit in the amount on line 15; and
- Identify and enter the amount of the credit you are taking on the dotted line to the left of the entry space for line 15 on page 1 of Form 706 with a notation, "Canadian marital credit."

Also, attach a statement to the return that refers to the treaty, waives qualifying domestic trust (QDOT) rights, and shows the computation of the marital credit. See the 1995 Canadian income tax treaty protocol for details on figuring the credit.

Part 3—Elections by the Executor

Note. The election to allow the decedent's surviving spouse to use the decedent's unused exclusion amount is made by filing a timely and complete Form 706. See the instructions for *Part 6—Portability of Deceased Spousal Unused Exclusion*, later, and sections 2010(c)(4) and (c)(5).

Line 1. Alternate Valuation



See the example showing the use of Schedule B where the alternate valuation is adopted, later.

Unless you elect at the time the return is filed to adopt alternate valuation, as authorized by section 2032, value all property included in the gross estate as of the date of the decedent's death. Alternate valuation cannot be applied to only a part of the property.

You may elect special-use valuation (line 2) in addition to alternate valuation.

You may not elect alternate valuation unless the election will decrease both the value of the gross estate and the sum (reduced by allowable credits) of the estate and GST taxes payable by reason of the decedent's death for the property includible in the decedent's gross estate.

Elect alternate valuation by checking "Yes" on line 1 and filing Form 706. You may make a protective alternate valuation election by checking "Yes" on line 1, writing the word "protective," and filing Form 706 using regular values.

Once made, the election may not be revoked. The election may be made on a late-filed Form 706, provided it is not filed later than 1 year after the due date (including extensions actually granted). Relief under Regulations sections 301.9100-1 and 301.9100-3 may be available to make an alternate valuation election or a protective alternate valuation election, provided a Form 706 is filed no later

than 1 year after the due date of the return (including extensions actually granted).

If alternate valuation is elected, value the property included in the gross estate as of the following dates, as applicable.

- Any property distributed, sold, exchanged, or otherwise disposed of or separated or passed from the gross estate by any method within 6 months after the decedent's death is valued on the date of distribution, sale, exchange, or other disposition. Value this property on the date it ceases to be a part of the gross estate; for example, on the date the title passes as the result of its sale, exchange, or other disposition.
- Any property not distributed, sold, exchanged, or otherwise disposed of within the 6-month period is valued as of 6 months after the date of the decedent's death.

- Any property, interest, or estate that is *affected by mere lapse of time* is valued as of the date of the decedent's death or on the date of its distribution, sale, exchange, or other disposition, whichever occurs first. However, you may change the date of death value to account for any change in value that is not due to a “mere lapse of time” on the date of its distribution, sale, exchange, or other disposition.

The property included in the alternate valuation and valued as of 6 months after the date of the decedent's death, or as of some intermediate date (as described above), is the property included in the gross estate on the date of the decedent's death. Therefore, you must first determine what property was part of the gross estate at the decedent's death.

Interest. Interest accrued to the date of the decedent's death on bonds, notes, and other interest-bearing obligations is property of the

gross estate on the date of death and is included in the alternate valuation.

Rent. Rent accrued to the date of the decedent's death on leased real or personal property is property of the gross estate on the date of death and is included in the alternate valuation.

Dividends. Outstanding dividends that were declared to stockholders of record on or before the date of the decedent's death are considered property of the gross estate on the date of death and are included in the alternate valuation. Ordinary dividends declared to stockholders of record after the date of the decedent's death are not included in the gross estate on the date of death and are not eligible for alternate valuation.

However, if dividends are declared to stockholders of record after the date of the decedent's death so that the shares of stock at the later valuation date do not reasonably represent the same property at the date of

the decedent's death, include those dividends (except dividends paid from earnings of the corporation after the date of the decedent's death) in the alternate valuation.

On Schedules A through I, you must show the following.

1. What property is included in the gross estate on the date of the decedent's death.
2. What property was distributed, sold, exchanged, or otherwise disposed of within the 6-month period after the decedent's death, and the dates of these distributions, etc. (These two items should be entered in the "Description" column of each schedule. Briefly explain the status or disposition governing the alternate valuation date, such as "Not disposed of within 6 months following death," "Distributed," "Sold," "Bond paid on maturity," etc. In this same column, describe each

item of principal and includible income.)

3. The date of death value, entered in the appropriate value column with items of principal and includible income shown separately.
4. The alternate value, entered in the appropriate value column with items of principal and includible income shown separately. (In the case of any interest or estate, the value of which is affected by lapse of time, such as patents, leaseholds, estates for the life of another, or remainder interests, the value shown under the heading "Alternate value" must be the adjusted value, for example, the value as of the date of death with an adjustment reflecting any difference in its value as of the later date not due to lapse of time.)

Note. If any property on Schedules A through I is being valued pursuant to the special rule of Regulations section 20.2010-2(a)(7)(ii), values for those assets are not required to be reported on the schedule. See *Part 5—Recapitulation*, item 10, later.

Distributions, sales, exchanges, and other dispositions of the property within the 6-month period after the decedent's death must be supported by evidence. If the court issued an order of distribution during that period, you must submit a certified copy of the order as part of the evidence. The IRS may require you to submit additional evidence, if necessary.

If the alternate valuation method is used, the values of life estates, remainders, and similar interests are figured using the age of the recipient on the date of the decedent's death and the value of the property on the alternate valuation date.