Instructions for Form 706-NA

(Rev. August 2025)

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*.

What's New

Form 706-NA redesign. The Form 706-NA has been redesigned to work more efficiently for taxpayers and the IRS.

Representation authorization. The representation authorization section in Part III has been removed from the form. A filer must use Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, to authorize another person to act on behalf of the estate before the IRS. See *Representation Authorization*, later, for more information.

Electronic payments. The United States is transitioning from paper-based payments (including checks and money orders) to and from the federal government to electronic payments, to improve efficiency and prevent delays, risks of fraud, lost payments, and theft.

Direct deposit. Direct deposit fields have been added onto the form on Part II, lines 18b, 18c, and 18d. If there is an overpayment on Part II, line 18a, enter your direct deposit information on Part II, lines 18b, 18c, and 18d. See Part II, *Line 18—Overpayment*, later, for more information, including what to do if you do not have access to U.S. banking services or electronic payment systems.

Making a payment. If there is a balance due on Part II, line 17, go to *IRS.gov/Payments* for information on how to make a payment. See the instructions for Part II, *Line 17—Tax Due*, later, for more details.

Estate tax closing letter fee reduced. The estate tax closing letter (ETCL) fee has been reduced to $56 from $67 for requests received on or after May 21, 2025. See *ETCL fee*, later, for more information.

General Instructions

Purpose of Form

Form 706-NA is used to compute estate and generation-skipping transfer (GST) tax liability for nonresident not a citizen (NRNC) 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.

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

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

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. You will need the Instructions for 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.

Estate Tax Closing Letters

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

ETCL fee. The ETCL fee has been reduced to $56 from $67 for requests received on or after May 21, 2025. See *TD 10031* for more information. To make an ETCL request, you must go to *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 transcripts 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-NA 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, Request for Transcript of Tax Return. 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.

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Definitions

The following definitions apply in these instructions.

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

Domicile. For estate tax purposes, a person acquires 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.

Nonresident not a citizen (NRNC) of the United States. For estate tax purposes, a decedent is an NRNC of the United States if the decedent is neither domiciled in nor a citizen of the United States at the time of death. A decedent who acquired U.S. citizenship solely by reason of being a citizen of a U.S. territory or by reason of birth or residence within a U.S. territory is not treated as a U.S. citizen.

Note. A decedent may be a U.S. resident for income tax purposes yet be considered a nonresident for estate tax purposes.

Long-term U.S. resident. A long-term U.S. resident is an individual (other than a U.S. citizen) who has been a lawful permanent resident of the United States (green card holder) for income tax purposes in at least 8 of the last 15 tax years ending with the tax year in which U.S. income tax residency is terminated. See section 877(e) for more information.

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 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 NRNC 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 Line 6a and Line 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.

Representation Authorization

The executor must use Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, to authorize another person to act for the executor before the IRS.

Complete and attach Form 2848 if you would like to authorize:

- Another person 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 document for the estate.

If you wish to authorize someone to inspect or receive confidential tax information verbally and/or in writing, complete and attach Form 8821. 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.

See the Instructions for Form 2848 and the Instructions for Form 8821, for more information. Also see 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.

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. If you have already received a 6-month extension and are an executor who is out of the country, you may apply for an additional extension of time to file by filing a second Form 4768 and completing the form and attaching a written statement of explanation as instructed. For both extensions, 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* 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*.

CAUTION *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

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

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.

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 earned (or income to be earned), whichever is greater, for the preparation of each such return.

See section 6694(a) and 6694(b), the related regulations, and Announcement 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	South Africa
France	Switzerland
Germany	United Kingdom
Greece	

*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.

How To Complete Form 706-NA

Complete Form 706-NA in this order.

1. Part I—Decedent, Executor, and Attorney.
2. Part III—General Information.
3. Part V—Gross Estate in the United States.
4. Part IV—Taxable Estates.
5. Part II—Tax Computation.

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 Part V. Reduce the Part V total by the allowable deductions to derive the taxable estate on Part IV, and figure the tax due using Part II.

Specific Instructions

Part I—Decedent, Executor, and Attorney

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.

Line 12

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

- File another Form 706-NA;
- Check the box on line 12;
- Include a statement of what has changed, along with the supporting information; and
- Attach a copy of the original Form 706-NA that has already been filed.

For the mailing address for supplemental Form 706-NA, see *Filing Estate and Gift Tax Returns*.

File the amended Form 706-NA 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 informtion directly to the office conducting the examination.

Part III—General Information

Line 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.

Line 6b

If you answered "Yes," and the decedent lost U.S. citizenship or long-term resident status within 10 years of death and prior to June 17, 2008, but you 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.

Line 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).

Part V—Gross Estate in the United States

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

Entire gross estate. The entire gross estate is figured the same way for an NRNC 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, territory, 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 Part V 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 an NRNC decedent 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 an NRNC 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 the decedent’s 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 Part V.

If the decedent was a U.S. expatriate subject to section 877(b) at the time of death, the decedent is treated as owning a prorated share of the U.S. property held by a foreign corporation in which the decedent 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)).

Describe the property on Part V 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 later); 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.

CUSIP number. The CUSIP (Committee on Uniform Security Identification Procedures) 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.

Schedules E, G, or H. 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 Part V of this Form 706-NA. Instead, attach the schedules to Form 706-NA, in column (b) enter “Total from Schedule __ (Form 706), line __,” and enter the total values from the attached schedules in either column (e) or (f).

Property valuation date. Generally, property must be valued as of the date of death. Columns (d) and (e) do not apply in this case.

However, you may elect to use the alternate valuation date. To make this election, check the “Yes” box on line 1 of Part V. If you do so, the election applies to all property, and you will need to complete each column in Part V. 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 (Form 706) with all the required information. To elect the exclusion, you must include on Part V:

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 of Schedule U (Form 706)) that is subject to the easement on Part V.

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 Part V.

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 Part IV.

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.

Part IV—Taxable Estate

CAUTION *For the line 6 deduction to be allowed, you must complete lines 1 through 5 and document the amounts you include on lines 2 and 4.*

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.

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.

If you elected the alternate valuation date for property listed on Part V, 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 8*, later, 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.

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 7

Use line 7 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 (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 (Form 706). See Regulations section 20.2056A-2(d) for additional QDOT requirements.

Attach Schedule M (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 8

You may take a deduction on line 8 for death taxes (estate, inheritance, legacy, or succession taxes) you paid to any state or the District of Columbia on property listed in Part V. To calculate the deduction for state death taxes, use the formula below. Enter the result on line 8.

$$\frac{\text{Total value of assets in the gross estate subject to state death taxes}}{\text{Gross estate located in the United States (line 1 of Part IV)}} \times \text{Total state death taxes paid}$$

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. territory (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 Part IV), and the denominator is the entire gross estate wherever located (line 3 of Part IV).

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, and Switzerland contained provisions to which section 2102(b)(3)(A) applies.

CAUTION *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

Enter the 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.

$$\frac{\text{Gross estate tax minus (the sum of the state death taxes and unified credit)}}{\text{Value of gross estate minus (the sum of the deductions for charitable, public, and similar gifts and bequests and marital deductions)}} \times \text{Value of included gift}$$

For more information, see the regulations under sections 2102 and 2012. This computation may be made using Form 4808, Computation of Credit for Gift Tax. Attach a copy of a completed Form 4808 or the computation of the credit. Also attach all available copies of Form 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 line 2 and the amount of credit taken (on line 9) for pre-1977 federal gift taxes.

Line 10

Enter the Canadian marital 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.

Also, attach a statement to the return that refers to the treaty and shows the computation of the marital credit. See the 1995 Canadian income tax treaty protocol for details on figuring the credit.

DRAFT

Line 14

If you answered "Yes" to question 11 of Part III, you must complete and attach Schedules R (Form 706) and/or Schedule R-1 (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 Schedule R (Form 706) and/or Schedule R-1 (Form 706), you should enter only transfers of interests in property that you listed on Part V of Form 706-NA. Otherwise, complete Schedule R (Form 706) and/or Schedule R-1 (Form 706) according to their instructions and enter the total GST tax from Schedule R (Form 706) on line 14.

For details, see Regulations section 26.2663-2.

Line 16

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

Line 17—Tax Due

Pay the tax due within 9 months after the decedent's death unless an extension of time to pay was granted.

Making a Payment

All payments made to the federal government are to be processed electronically. Go to *IRS.gov/Payments* and *Frequently asked questions on estate taxes* for more detailed information on using any of the payment options below. If you qualify for an exception, an alternative payment option (check, money order, or cash) may be permitted. See *Non-electronic payment option exceptions*, later for more information.

EFTPS. Payments of the tax due may be submitted electronically through Electronic Federal Tax Payment System (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* or call 800-555-4477. To contact EFTPS using Telecommunications Relay Service (TRS) for people who are deaf, heard 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. Additionally 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-NA 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.

Non-electronic payment option exceptions. If you qualify for one of the exceptions below, a check, money order, or cash may still be permitted as a payment option.

1. Individuals who do not have access to banking services or electronic payment systems.
2. Certain emergency payments where electronic disbursements would cause undue hardship, as contemplated in 31 C.F.R. Part 208.
3. National security- or law enforcement-related activities where non-EFT transactions are necessary or desirable.
4. Other circumstances as determined by the Secretary of the Treasury, as reflected in regulations or other guidance.

Note. If you don't qualify for one of the exceptions above, you are to use an electronic payment option to make a payment. If you do qualify for an exception above, see paying by check or cash, below, for additional payment options.

Paying by check. Make the check payable to "United States Treasury" for the face value in U.S. dollars. Write the decedent's SSN (or ITIN, if applicable) and "Form 706-NA" to assist us in posting it to the proper account.

Paying by cash. You may be able to pay your balance due with cash at participating retail stores. See *IRS.gov/PayYourTaxesWithCash*.

Line 18—Overpayment

To the extent permitted by law, the Secretary of the Treasury will cease issuing paper checks for all federal disbursements. Direct deposit is available for this form. If there is an overpayment when filing your return, complete Part II, lines 18b, 18c, and 18d to input your direct deposit information. If you qualify for an exception, an alternative payment option (paper check) may be permitted. See *Non-electronic federal disbursement exceptions*, later, for more information.

TIP ***Why use direct deposit?*** *You get your refund faster by direct deposit than you do by check. Payment is more secure. There is no check that can get lost or stolen. It is more convenient. You don't have to make a trip to the bank to deposit your check. It saves tax dollars. It costs the government less to refund by direct deposit. It's proven itself. Nearly 98% of social security and veterans benefits are sent electronically using direct deposit.*

Account must be in your name. Don't request a deposit of your refund to an account that isn't in your name. The number of refunds that can be directly deposited to a single account or prepaid debit card is limited to three a year. After this limit is reached, paper checks will be sent instead. Learn more at *IRS.gov/DepositLimit*.

Line 18a

If line 18a is under $1, we will send a refund only on written request.

Line 18b

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Ask your financial institution for the correct routing number to enter on line 18b if:

- The routing number on a deposit slip is different from the routing number on your checks,
- Your deposit is to a savings account that doesn't allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.

Line 18c

Check the appropriate box for the type of account. Don't check more than one box. You must check the correct box to ensure your direct deposit is accepted.

Line 18d

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. Don't include the check number.

If the direct deposit to your account is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

Reasons your direct deposit will be rejected. If any of the following apply, your direct deposit request will be rejected and a check will be sent instead.

- You are asking to have a joint refund deposited to an individual account, and your financial institution(s) won't allow this. The IRS isn't responsible if a financial institution rejects a direct deposit.
- The name on your account doesn't match the name on the refund, and your financial institution(s) won't allow a refund to be deposited unless the name on the refund matches the name on the account.
- Three direct deposits of tax refunds already have been made to the same account or prepaid debit card.
- You haven't given a valid account number.
- Any numbers or letters on lines 18b through 18d are crossed out or whited out.

CAUTION *The IRS isn't responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the correct routing and account numbers and to make sure your direct deposit will be accepted.*

Non-electronic federal disbursement exceptions. If you qualify for one of the exceptions below, a paper check may still be permitted as a federal disbursement option.

1. Individuals who do not have access to banking services or electronic payment systems.
2. Certain emergency payments where electronic disbursements would cause undue hardship, as contemplated in 31 C.F.R. Part 208.
3. National security- or law enforcement-related activities where non-EFT transactions are necessary or desirable.
4. Other circumstances as determined by the Secretary of the Treasury, as reflected in regulations or other guidance.

Note. If you don't qualify for one of the exceptions above, the direct deposit information must be entered on lines 18b, 18c, and 18d. If you do qualify for an exception above, leave lines 18b, 18c, and 18d blank.

Signature(s)

Form 706-NA must be signed. The executor must verify and sign the declaration under penalties of perjury. The executor may use Form 2848 to authorize another person to act for the executor before the IRS. See Representation Authorization, 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.

CAUTION *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.*

Paid Preparer Use Only

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.

Paid Preparer Authorization

If you want to allow the IRS to discuss the tax return with the paid preparer who signed it, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears on the *Paid Preparer Use Only* section of your return. It does not apply to the firm, if any shown in that section.

If the “Yes” box is checked, you are authorizing the IRS to call your paid preparer to answer any questions that may arise during the processing of your return. You are also 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 paid 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.