

# Instructions for Form 706-NA

(Rev. September 2025)

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

**Estate of nonresident not a citizen of the United States**

# 2025

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Department of the Treasury  
**Internal Revenue Service**

Instructions for Form 706-NA (Rev 09-2025) Catalog Number 49186F  
Department of the Treasury **Internal Revenue Service** [www.irs.gov](http://www.irs.gov)



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

## **Future Developments**

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

## **What's New**

**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.** If you have access to U.S. banking services or electronic payment systems, you should use direct deposit for any refunds and pay electronically for any payments, whenever possible.

**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.

**Making a payment.** If there is a balance due on Part II, line 17, go to [IRS.gov/Payments](https://www.irs.gov/payments) for information on how to make a payment. Also, see the instructions for Part II, Line 17—Tax Due, later, for more information.

**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.

**Section 2801 tax.** Section 2801 imposes a tax on U.S. citizens and residents who receive certain gifts or bequests from covered expatriates. For more information, see *Final regulations under Section 2801, Regarding the Imposition of Tax on Certain Gifts and Bequests from Covered Expatriates* published, located on *IRS.gov* under [What's New—Estate and gift tax](#).

## **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.



*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](https://www.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.

## **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. See Regulations section 20.0-1 for more information.

**Nonresident not a citizen of the United States (NRNC).** For estate tax purposes, a decedent is a nonresident not a citizen of the United States (NRNC) 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. For more information, see section 877(e). For information regarding the definition of lawful permanent resident, including circumstances in which the lawful permanent resident status of a treaty

resident is considered terminated, see the Instructions for Form 8854, Initial and Annual Expatriation Statement.

**Executor.** An executor is the personal representative, executor, executrix, administrator, or administratrix of the decedent'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 is considered an executor and must file a return. If more than one person must file, it is preferable that they join in filing one complete return. Otherwise, each person 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.

**Expatriate.** A decedent is an expatriate if the decedent relinquished U.S. citizenship or terminated long-term residency. Special estate tax rules may apply to decedents who expatriated from the United States prior to death. See *Taxation Applicable to Certain Expatriates*, next.

## **Taxation Applicable to Certain Expatriates**

### **Expatriation on or after June 17, 2008.**

Decedent's who expatriated on or after June 17, 2008, generally are subject to U.S. estate tax in the same manner as all other NRNC decedents.

**Note.** For decedents who expatriated on or after June 17, 2008, and were "covered expatriates" as defined in section 877A(g)(1), any bequests or other transfers from the covered expatriate decedent's estate to a U.S.

citizen or resident beneficiary may subject the U.S. citizen or resident beneficiary to the section 2801 tax on the receipt of the gift or bequest. For more information on the section 2801 tax, see section 2801. To avoid the potential for subjecting property to both estate tax (payable by the executor of the covered expatriate decedent's estate) and section 2801 tax (payable by the U.S. citizen or resident receiving the property), any required Form 706-NA should be timely filed. See section 2801(e)(2)(B) and Regulations section 28.2801-3(c)(2) for details.

**Expatriation after June 3, 2004, and before June 17, 2008.** Special estate tax rules under section 2107 apply to determine the value of the decedent's U.S. taxable estate if the decedent was subject to the 10-year alternative tax regime of section 877(b) on the date of death. See the instructions for Line 6a and Line 6b, later.

A decedent is subject to the 10-year alternative tax regime of section 877(b) (and thus is subject to section 2107), if the decedent expatriated after June 3, 2004, and before June 17, 2008, and also met one of three tests set out under section 877(a).

1. The decedent's average annual net income tax liability for the 5 tax years ending before the date of expatriation is:
  - a. \$124,000 for decedents who expatriated in 2004,
  - b. \$127,000 for decedents who expatriated in 2005,
  - c. \$131,000 for decedents who expatriated in 2006,
  - d. \$136,000 for decedents who expatriated in 2007, and
  - e. \$139,000 for decedents who expatriated in 2008.

2. The decedent's net worth was \$2 million or more on the date of expatriation.
3. The decedent's failure to certify on Form 8854 that the decedent complied with all federal tax obligations for the 5 tax years preceding the date of expatriation.

The 10-year alternative tax regime of section 877(b) commences when Form 8854 is filed. See section 877, 2107, and 7701(n) as in effect before June 17, 2008, and Form 8854 for additional information regarding the 10-year alternative tax regime.

## **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](https://www.irs.gov/PDS) for the current list of designated services.

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

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



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

Section 6662 provides a 20% penalty for underpayments of estate or GST taxes due to negligence, intentional disregard of rules and regulations, or a substantial or gross valuation understatement. A substantial valuation understatement occurs when the reported value of property is 65% or less of the actual value of the property. A gross valuation understatement occurs when the reported value of the property listed is 40% or less of the actual value of the property. No penalty will be assessed if the underpayment of estate tax, attributable to substantial or gross valuation understatement, does not exceed \$5,000.

**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 Greece

United Kingdom

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

If you are reporting any items on this return based on the provisions of a death tax treaty or protocol, attach a statement to this return

indicating that the return position is treaty based. See Regulations section 301.6114-1 for details.

## **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 Estate.
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 supplemental 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 information 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 an expatriate subject to section 877(b) on the date 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. See section 2107(b) and *Taxation Applicable to Certain Expatriates*, earlier, for more information.

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 principal 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



*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.

Total value of assets in the gross estate subject to state death taxes		Total state
<hr/>	x	death taxes
Gross estate located in the United States		paid
(line 1 of Part IV)		

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.



*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.

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

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Value of gross estate minus (the sum of the deductions for charitable, public, and similar gifts and bequests and marital deductions)	x	Value of included gift
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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.

## **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**

The IRS recommends paying electronically whenever possible.

Options to pay electronically include any of the payment options below. Also, go to [IRS.gov/Payments](https://www.irs.gov/Payments) and [Frequently asked questions on estate taxes](#) for more detailed 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. See [IRS.gov/EFTPS](https://www.irs.gov/EFTPS) and [EFTPS.gov](https://www.eftps.gov) for more information.

**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. See [IRS.gov/ SameDayWire](https://www.irs.gov/SameDayWire) and *How do I make an electronic payment under* [Frequently asked questions on estate taxes](#), on [IRS.gov](https://www.irs.gov) for the worksheet and more information.

**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. See [IRS.gov/ PayByMail](https://www.irs.gov/payments/individual/PayByMail) for more information.

**Paying by cash.** You may be able to pay your balance due with cash at participating retail stores. See [IRS.gov/PayCash](https://www.irs.gov/payments/individual/PayCash) for more information.

## **Line 18—Overpayment**

If you have access to U.S. banking services, you should use direct deposit for any refunds, whenever possible. See [IRS.gov/DirectDeposit](https://www.irs.gov/payments/individual/DirectDeposit) for more information.

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.

## **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.

### **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.



*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 supplemental 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.