

UNITED STATES ESTATE TAX RETURN

Estate of nonresident not a citizen of the United States

The return must under certain circumstances be filed on Form 706 instead of this Form. For details see section 2 of instructions.

(All amounts must be expressed in United States dollars)

Decedent's first name and middle initial		Decedent's last name	Social Security number
Date of death	Place of death		Citizenship (Nationality)
Residence (domicile) at time of death			Business or occupation

IN UNITED STATES	Name of executor, administrator, or person in possession of property	Name of attorney for estate	
	Address	Address	
OUTSIDE UNITED STATES	Name of executor, administrator, or person in possession of property	Name of attorney for estate	
	Address	Address	

If the answer to question 7, 8, or 9 is "Yes," use of this form is inappropriate, and the return should be made on Form 706.

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| <p>1a Did the decedent die testate? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>b Were letters testamentary or of administration granted for the estate?
If granted to persons other than those filing the return, supply names and addresses. <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>2 Did the decedent, at the time of his death, own any—</p> <p>a Real property located in the United States? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>b Stocks of United States corporations? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>c Debt obligations of (1) a United States person or (2) the United States, a State or any political subdivision thereof, or the District of Columbia? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>d Other property situated in the United States? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>3 Was the decedent engaged in business in the United States at date of death? <input type="checkbox"/> YES <input type="checkbox"/> NO.</p> <p>4 Did the decedent at date of death personally or through an agent have access to a safe deposit box in the United States? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>5 Did the decedent, at the time of his death, own any property situated in the United States as a joint tenant or as a tenant by the entirety with right of survivorship or with his spouse as community property? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> | <p>6 Did the decedent lose his United States citizenship after March 8, 1965, and within 10 years of his death? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>7 Did the decedent make any transfer within 3 years before his death of a value of \$1,000 or more, or any transfer during his lifetime of a value of \$5,000 or more, without an adequate and full consideration in money or money's worth, any part of which was situated in the United States either at the time of transfer or at the time of the decedent's death? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>8 Were there in existence at the time of the decedent's death any trusts created by him during his lifetime, any part of the property of which was situated in the United States either when the trust was created or at the time of the decedent's death? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>9a Did the decedent, at the time of his death, possess a general power of appointment over property any part of which was situated in the United States? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>b Or, at any time, exercise or release such a power? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>(NOTE.—A general power of appointment means any power of appointment exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate, and includes the right of a beneficiary to appropriate or consume the principal of a trust. See Estate Tax Regulations for complete definition.)</p> |
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Computation of tax (see sections 10, 11, and 12 of instructions)

1 Taxable estate (item 8, schedule B)	\$ _____
2 Gross tax on taxable estate (use "Table for computing estate tax," but see section 10)	\$ _____
3 Credit for State death taxes	_____
4 Net estate tax payable (item 2 minus item 3)	\$ _____

Under penalties of perjury, I declare that this return, including the additional sheets attached, if any, has been examined by me, and to the best of my knowledge and belief, is a true, correct, and complete return. It is understood that a complete return requires the listing herein of all the property constituting the part of the decedent's gross estate (as defined by the Statute) situated in the United States.

(Signature of executor, administrator, etc.)	(Title)	(Date)
(Signature of executor, administrator, etc.)	(Title)	(Date)
(Signature of executor, administrator, etc.)	(Title)	(Date)
(Signature of preparer other than executor, administrator, etc.)		(Date)
(Address of preparer other than executor, administrator, etc.)		

SCHEDULE A—Gross Estate in the United States (see sections 3, 4, 5, 6, and 7 of instructions)

Is election hereby made to have the gross estate of this decedent valued in accordance with values as of a date or dates subsequent to the decedent's death as authorized by section 2032 of the Internal Revenue Code? YES NO (This election cannot be exercised

unless it is shown upon the return and the return is timely filed. The information in columns (c) and (d) should not be furnished unless the reply to this question is "Yes.")

(a) Item No.	(b) Complete description of property	(c) Subsequent valuation date	(d) Alternate value in United States dollars	(e) Value at date of death in United States dollars
			\$	\$
(If more space is needed, attach additional sheets of same size)				
Total			\$	\$

SCHEDULE B—Taxable Estate (see sections 8, 9, and 10 of instructions)

The value to be entered for item 2 includes real property situated outside of the United States if required to be included in the gross estate by section 3 of the instructions. If adequate proof in support of items 2 and 4 is not submitted, deduction at item 4 will not be allowed. If adequate proof in support of item 2 is not submitted, deduction at item 6 will be limited to \$2,000 for decedents dying before November 14, 1966, and to \$30,000 for decedents dying after November 13, 1966. See section 9 of instructions for circumstances

under which "prorated exemption" will be allowed. If decedent was domiciled in Canada and died after December 31, 1958, but before November 14, 1966, see section 10 of instructions regarding special exemption and tax computation. If prorated exemption is claimed under Japanese treaty, the numerator of the fraction set forth in item 6 is the value of the property situated in the United States and the subject of tax by both the United States and Japan.

1 Gross estate in the United States (total, schedule A)	\$
2 Gross estate outside the United States	
3 Total gross estate wherever situated (item 1 plus item 2)	\$
4 Amount of funeral expenses, administration expenses, debts of decedent, mortgages and liens, and losses during administration (attach itemized schedule)	\$
5 Deduction of expenses, claims, etc. (that proportion of item 4 that item 1 bears to item 3)	\$
6 Exemption of \$30,000 (in estates qualifying for "prorated exemption," use \$30,000 or $\frac{\text{item 1}}{\text{item 3}} \times \$60,000$, whichever is the greater). For decedents dying before November 14, 1966, substitute \$2,000 for \$30,000	
7 Total deductions (item 5 plus item 6)	\$
8 Taxable estate (item 1 minus item 7)	\$

GENERAL INFORMATION

a Time and place for filing return.—The return is due 15 months after the date of the decedent's death. The return must be filed with the Director of International Operations, Internal Revenue Service, Washington, D.C. 20225. In exceptional cases, application may be made to the Commissioner of Internal Revenue for permission to file in any Internal Revenue district.

b Payment of tax.—The tax is due 15 months after the date of the decedent's death, and must be paid within such period unless an extension of time for payment thereof has been granted by the Director. Make payment by check or money order made payable to the Internal Revenue Service and collectible in U.S. currency at par without any deduction for exchange or other charges.

c Penalties.—Severe penalties are provided by law for willful failure to make and file a return on time and for willful attempt to evade or defeat payment of tax.

TABLE FOR COMPUTING ESTATE TAX

Except for "expatriates" under section 2107 of the Internal Revenue Code, for decedents dying after November 13, 1966, use the following rates. For decedents dying before November 14, 1966, and for "expatriates" under section 2107 of the Code, use the rates shown in Table A of Form 706, page 40.

(A) Taxable estate equaling—	(B) Taxable estate not exceeding—	Tax on amount in column (A)	Rate of tax on excess over amount in column (A)
			<i>Percent</i>
0	\$100,000	0	5
\$100,000	500,000	\$5,000	10
500,000	1,000,000	45,000	15
1,000,000	2,000,000	120,000	20
2,000,000		320,000	25

Instructions for Form 706NA, Estate of Nonresident Not a Citizen of the United States

1. General.—The United States estate tax is imposed by chapter 11 of the Internal Revenue Code. It is imposed upon the transfer of the taxable estate of the decedent and not upon the receipt of any particular legacy, devise, or distributive share.

The first step in the determination of tax liability in the case of a nonresident not a citizen of the United States is to ascertain the **entire gross estate wherever situated** (see section 3 hereof). The second step is to determine the **part of such gross estate situated in the United States**, which should be set forth in schedule A (see sections 4, 5, 6, and 7 hereof). The third step is to determine the amount of the deductions authorized, the total of which should be entered as item 7 of schedule B and subtracted from the **part of the gross estate situated in the United States** in order to arrive at the **taxable estate** (see sections 8 and 9 hereof). The fourth step is to compute the tax and any allowable credit (see sections 10, 11, and 12 hereof).

Reference herein to the deceased person's **residence** generally means the deceased person's **domicile**, and the expression **nonresident not a citizen of the United States** refers to a decedent who at the time of his death was neither domiciled in nor a citizen of the United States and to a decedent who acquired United States citizenship solely by reason of his connection with a United States possession.

2. Requirement of return.—An estate tax return must be filed for the estate of a nonresident not a citizen of the United States if the part of his gross estate (as defined by the Estate Tax Statute) situated in the United States exceeded a value of \$2,000 at a date of death occurring before November 14, 1966, or exceeded a value of \$30,000 at a date of death occurring after November 13, 1966.

If there is no executor or administrator appointed, qualified, and acting in the United States, every person in actual or constructive possession of any property of the decedent is liable for the filing of the return. If two or more persons are liable for the filing of the return, it is preferable for all to join in the filing of one complete return, but if they are unable to join in making one complete return, each is required to file a return disclosing all the information he has in the case, including the name of every person holding an interest in the property and a full description of such property.

This form (Form 706NA) should, except as hereinafter provided, be used in making the return. However, the return must be made on Form 706 instead of this form (but following the instructions under "Table For Computing Estate Tax" on page 2 of this form to select the correct rate of tax) under any of the following circumstances:

(a) If a decedent made any transfer within 3 years before his death of a value of \$1,000 or more, or any transfer during his lifetime of a value of \$5,000 or more, without an adequate and full consideration in money or money's worth, any part of which was situated in the United States either at the time of the transfer or at the time of death;

(b) If there were in existence at the time of the decedent's death any trusts created by him during his lifetime, any part of the property of which was situated in the United States either at the time the trust was created or at the time of death;

(c) If the decedent, at the time of his death, possessed a general power of appointment over property situated in the United States or, at any time, by will or otherwise, exercised or released such a power. For definition of a general power of appointment, see Estate Tax Regulations;

(d) If a deduction is taken for the value of property of the gross estate transferred by the decedent for public, religious, charitable, scientific, literary, or educational purposes to corporations or associations created or organized in the United States or to trustees for use within the United States;

(e) If credit is taken for United States gift tax paid by or on behalf of the decedent in respect of property included in the part of the gross estate situated within the United States;

(f) If credit is taken for United States estate tax paid in connection with the transfer of property to the decedent from a transferor who died within a period of 10 years before or 2 years after the decedent;

(g) If the decedent was domiciled in France or a subject of or domiciled in Greece and a prorated allowance authorized by treaty extends beyond the exemption, such as a prorated deduction for a bequest to a foreign charity; and

(h) If the decedent died after November 13, 1966, having lost his United States citizenship after March 8, 1965 and within 10 years of his death, and the loss of citizenship had as one of its principal purposes the avoidance of taxes.

3. Entire gross estate wherever situated.—The entire gross estate wherever situated in the case of a nonresident not a citizen of the United States is made up in the same way as the gross estate of a citizen or resident. For decedents dying on or after July 1, 1964, it includes real property situated outside of the United States. The gross estate embraces not only all property beneficially owned by the decedent, but also includes:

(a) All property in which the decedent had at the time of his death an interest either as a **joint tenant** or as a **tenant by the entirety**, with right of survivorship. (The full value of the property must be included in the gross estate, unless it can be shown that a part of the property originally belonged to the other tenant or tenants and was never received or acquired by the other tenant or tenants from the decedent for less than an adequate and full consideration in money or money's worth);

(b) Property held by the decedent and surviving spouse as **com-**

munity property to the extent of the decedent's interest in such property under the applicable law of the State, or possession of the United States, or of the foreign country;

(c) Dower or curtesy of the surviving spouse and all interests created by statute in lieu thereof;

(d) Proceeds of insurance on the decedent's life, including, with some exceptions, proceeds receivable by beneficiaries other than the estate;

(e) Several classes of transfers made by the decedent prior to his death, without an adequate and full consideration in money or money's worth;

(f) Property with respect to which the decedent (1) possessed a general power of appointment at the time of his death or (2) exercised or released (in a specified manner) a general power of appointment during his lifetime; and

(g) Certain annuities received by a beneficiary by reason of surviving the decedent.

Further information concerning annuities, life insurance, transfers during life, and general powers of appointment is set forth in the Estate Tax Regulations and in the instructions on Form 706.

4. Property situated in the United States.—The part of the gross estate situated within the United States should be listed in schedule A. The term "United States," when used in a geographical sense, includes only the States, and the District of Columbia. Property transferred during the decedent's life, and includible in the entire gross estate wherever situated, is deemed situated within the United States if such property was so situated either at the time of the transfer or at the time of death.

Except as provided otherwise by treaty (see list below), the following rules are applicable to estates of decedents dying after November 13, 1966, in determining whether property is situated in the United States. (For the additional rules applicable to estates of decedents dying before November 14, 1966, see section 5 of the instructions for Form 705, Estate Tax—Preliminary Notice.)

(a) Real estate and tangible personal property are within the U.S. if physically located therein.

(b) Irrespective of where the stock certificates are physically located, (1) stocks of corporations organized in or under the laws of the U.S. constitute property within the U.S., and (2) stocks of all other corporations constitute property outside the U.S.

(c) For estates of decedents dying after November 13, 1966, debt obligations (not otherwise covered in paragraph (e)) of (1) a United States person (see section 7701(a)(30)), or (2) the United States, a State or any political subdivision thereof, or the District of Columbia, shall be deemed property within the United States, whether or not the written evidence thereof is treated as being the property itself. However, if such United States person is a domestic corporation with less than 20 percent of its gross income from all sources derived from sources within the United States for the 3 taxable years which preceded the date of the decedent's death, the debt obligation shall be deemed property without the United States.

(d) Proceeds of insurance on the life of a nonresident not a citizen of the U.S. decedent are not situated within the U.S.

(e) For estates of decedents dying after November 13, 1966, and before January 1, 1973, amounts not effectively connected with the conduct of a trade or business within the United States by the decedent (1) deposited with domestic persons carrying on the banking business, (2) deposited with a domestic savings and loan or similar association covered by section 591 of the Code, or (3) held by a domestic insurance company under an agreement to pay interest thereon, shall be deemed to be property without the United States. For estates of decedents dying after December 31, 1972, the three preceding amounts and deposits with a domestic branch of a foreign corporation, if such branch is engaged in the commercial banking business, shall be deemed property within the United States. For estates of decedents dying after November 13, 1966, deposits with a foreign branch of a domestic corporation or domestic partnership, if such branch is engaged in the commercial banking business, shall be deemed property without the United States.

(f) For situs of works of art, owned by a nonresident not a citizen of the U.S., which were imported into the U.S. for exhibition purposes, see Estate Tax Regulations.

5. Death duty conventions are in effect with each of the countries listed below. The provisions of a convention apply in the case of a decedent dying on or after the effective date shown.

Country	Effective Date
Australia	January 7, 1954
Canada	January 1, 1959
Finland	December 18, 1952
France	October 17, 1949
*Greece	December 30, 1953
Ireland	December 20, 1951
Italy	October 26, 1956
Japan	April 1, 1955
Norway	December 11, 1951
Switzerland	September 17, 1952
Union of South Africa	July 15, 1952
United Kingdom	July 25, 1946

*Section 3 of the instructions governs real property.

6. Description of property.—The description of property under schedule A should be such that the property may be readily identified. Descriptions of stocks should include number of shares, whether common or preferred, and, if preferred, what issue thereof, par value, quotation at which returned, exact name of corporation, and, if the stock is unlisted, the post office address of the principal business office, the State in which incorporated and the date of incorporation. If a listed security, state principal exchange upon which sold. Descriptions of bonds should include number, principal amount, name of obligor, date of maturity, rate of interest, date or dates on which interest is payable, series number where there is more than one issue, the exchange upon which listed, or the principal business office of the corporation, if unlisted. For the rules to be followed in valuing stocks and bonds, see the Estate Tax Regulations and Form 706, Schedule B, Instruction 3.

Jointly owned property and property held as **tenant by the entirety** should be identified as such, and the entire value thereof should be disclosed in the column of schedule A for description of property. The right to include less than the full value of the entire property for purposes of the tax must be supported by proof. See subparagraph (a) of section 3 of these instructions.

7. Date of valuation of property.—Unless election is properly made at the time the return is filed to adopt the alternate valuation authorized by section 2032 of the Code, all property must be valued as of the date of the decedent's death. In such case the information indicated by the columns of schedule A headed "Subsequent valuation date" and "Alternate value" should not be shown, and the space in such columns may be utilized for descriptive matter.

If the person filing the return elects to adopt the valuation authorized by section 2032 of the Code, such election must be expressly indicated in the space provided under schedule A, and the return must be timely filed. If such election is made, (1) any property distributed, sold, exchanged, or otherwise disposed of within 1 year after the decedent's death must be valued as of the date of such distribution, sale, exchange, or other disposition, whichever first occurs, and (2) any property not distributed, sold, exchanged, or otherwise disposed of within such 1-year period must be valued as of the date 1 year after the date of the decedent's death. The election, if exercised, must be applied to all property included in the gross estate on the date of the decedent's death. In such case all columns of schedule A should be filled in.

8. Deduction of administration expenses, claims, etc.—Deduction may be taken of the proportion of the following expenses, claims, etc., that the value of the part of the gross estate situated in the United States bears to the value of the entire gross estate wherever situated: (1) Funeral expenses; (2) administration expenses; (3) claims against the estate; (4) unpaid mortgages and other liens; and (5) losses incurred during the settlement of the estate arising from fires, storms, shipwrecks, or other casualties, or from theft, if such losses are not compensated for by insurance or otherwise.

It is immaterial whether the amounts to be deducted were incurred or expended within or without the United States. **However, no deduction whatever may be taken unless the value of the entire gross estate wherever situated, as described in section 3 of these instructions, is entered at item 3 of schedule B.** The entire gross estate must be valued as of the date of the decedent's death; or, if the alternate valuation is adopted under schedule A, such alternate valuation must be applied to the entire gross estate. **Adequate proof in support of items 3 and 4 of schedule B must be submitted; otherwise, this deduction will be disallowed. For this purpose there should be submitted a certified copy of the foreign death tax return; or, if no such return was filed, a certified copy of the inventory of the estate, together with the schedule of debts and charges, filed in conjunction with the administration proceedings of the estate or with the foreign court of probate jurisdiction.** Additional proof may be required in specific cases.

The total amount of expenses, claims, etc., should be entered as item 4 of schedule B, **which entry must be supported by an itemized schedule.** Such schedule should show the exact nature and amount of each expense or claim as well as the name of the creditor. Other deductions must be fully described and, if relating to particular property, the property must be identified. Death taxes, taxes on income received after death, and property taxes not accrued prior to death are not to any extent deductible. If a claim against the estate or a mortgage is founded upon a promise or agreement, the amount included in item 4 must be limited to the extent to which the liability was contracted bona fide and for an adequate and full consideration in money or money's worth. Deduction may be taken for a mortgage only if the value of the property undiminished by the amount of indebtedness secured by the mortgage is included in the entire gross estate wherever situated. Except as otherwise provided in section 2053 of the Code, the amount of deductions entered in item 4 must not exceed the value of the property included in the entire gross estate wherever situated, which is subject to claims.

9. Exemption.—Except as otherwise stated herein, an exemption of \$2,000 for decedents dying before November 14, 1966, or \$30,000 for decedents dying after November 13, 1966, is authorized for the purpose of determining the taxable estate, and should be entered at item 6 of schedule B. An increased exemption, referred to as the "prorated

exemption" is allowable (a) in the case of a decedent who was a citizen of the United States and who was a resident of a United States possession, as referred to in the last sentence of instruction 1, and (b) in cases where the provisions of a death tax convention apply to the estate of a decedent who was a citizen of or domiciled in Australia, Norway or Switzerland, a resident of Finland, was domiciled in France, was a subject of or domiciled in Greece, was a national of or domiciled in Italy, or in a case where a beneficiary was domiciled in Japan. The prorated exemption is computed at item 6 of schedule B. **This increased exemption will be disallowed unless the value of the entire gross estate wherever situated is entered at item 3 of schedule B and supported by adequate proof,** as explained in the second paragraph of section 8 of these instructions. If the decedent was domiciled in Canada, see section 10.

10. Convention with Canada.—For decedents dying after November 13, 1966, the following rules may be disregarded because of the increased statutory exemption of \$30,000. For decedents dying before November 14, 1966, our present convention with Canada exempts from Federal estate tax certain estates of nonresident not citizen of the United States decedents who were domiciled in Canada and died after December 31, 1958. The convention also contains a provision preventing the estate tax from reducing below \$15,000 the value of the estate of such a decedent which is subject to tax. If the value of the taxable estate, before allowance of the specific exemption of \$2,000, does not exceed \$15,000, the estate is exempt from estate tax. If the value, before allowance of the specific exemption is less than \$15,932.59, the gross tax (item 2, page 1) is equal to the amount in excess of \$15,000. For example, if the value is \$15,500, the gross tax on the taxable estate is \$500. If the value of the taxable estate before allowance of the specific exemption is more than \$15,932.58 the estate tax is to be calculated by the use of Table A of Form 706, page 40, after allowance of the specific exemption. The prorated exemption (item 6, schedule B) is not allowable under our present convention with Canada, but may be allowable in cases where the prior convention is applicable.

11. Computation of tax.—Except as provided in section 10 relating to Canada, the taxable estate, as shown at item 8 of schedule B, should be carried forward to item 1 of the "Computation of tax." The person filing the return should compute the tax on the taxable estate in accordance with the instructions for "Table for computing estate tax," and should enter such amount of tax at item 2 and, unless credit is claimed, also at item 4. This latter amount should be paid to the director.

12. Credit for estate, inheritance, legacy, or succession taxes paid to a State, or the District of Columbia.—The States and the District of Columbia generally impose inheritance or other death taxes. If such taxes are paid in respect of property included in schedule A, credit therefor may be taken at item 3 of the "Computation of tax." For decedents dying before November 14, 1966, the credit cannot exceed the amount computed by using Table B, Form 706, page 40. For decedents dying after November 13, 1966, the credit cannot exceed an amount which bears the same ratio to the credit computed using Table B, Form 706, page 40, as the value of the property upon which State death taxes were paid and which was included in the gross estate bears to the value of the total gross estate situated in the United States. The credit is also limited to such taxes as were actually paid and credit therefor claimed within 4 years after the filing of the return, except as otherwise provided under special circumstances. For allowance of the credit, a certificate of the proper officer of the taxing State, showing the information required by the Estate Tax Regulations, must be submitted. If practicable such certificate should be filed with the return, but if that is not convenient or possible, then it should be submitted as soon thereafter as practicable.

13. Supplemental documents.—If the decedent died testate, a certified copy of the will must be filed. In the case of closely held or inactive stock of a corporation, there must be submitted 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 five preceding years. Any other documents, such as appraisal lists, required for an adequate explanation should be filed with the return. Other supplemental documents may be required as explained in sections 8, 9, and 14 of these instructions. An English translation should be submitted with all foreign supplemental documents.

14. Former United States citizens.—If the answer to question 6 on page 1, is "Yes," but it is contended that tax avoidance was not one of the principal purposes for the loss of United States citizenship, supplemental documents to sustain the contention should be submitted with the return. If the loss of United States citizenship was for a principal purpose of tax avoidance, the return must be made on Form 706 and the special tax computation rules in section 2107 of the Code will apply; in addition, a proportion of the value of stock in certain foreign corporations described therein which was owned or transferred by the decedent may be required to be included in the gross estate if the foreign corporation owned assets situated in the United States.

15. Declarations.—If there is more than one executor or administrator, all should verify and sign the return. In addition to the declaration of the person filing the return, if the return was prepared by another, the declaration also should be signed by the person preparing the return.