

United States Estate Tax Return
Estate of nonresident not a citizen of the United States

I.R.S. use only
Date received

(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

Declaration under 26 C.F.R. 601.502(c)(3)(ii) if return prepared by an attorney
I declare that I am the attorney listed above representing the estate, and that I am currently qualified to practice in the State of.....

(Signature of attorney if he prepared the return) (Date)

Outside United States	Name of executor, administrator, or person in possession of property	Name of attorney for estate
	Address	Address

	Yes	No		Yes	No
1a Did the decedent die testate?			6 Did the decedent lose his United States citizenship after March 8, 1965, and within 10 years of his death?		
b Were letters testamentary or of administration granted for the estate? <i>If granted to persons other than those filing the return, state names and addresses above.</i>			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? <i>If "yes," attach Schedule G from Form 706.</i>		
2 Did the decedent, at the time of his death, own any—			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? <i>If "yes," attach Schedule G from Form 706.</i>		
a Real property located in the United States?			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? <i>If "yes," attach Schedule H from Form 706.</i>		
b Stocks of United States corporations?			b Or, at any time, exercise or release such a power? <i>If "yes," attach Schedule H from Form 706.</i>		
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?			(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.)		
d Other property situated in the United States?					
3 Was the decedent engaged in business in the United States at date of death?					
4 Did the decedent at date of death personally or through an agent have access to a safe deposit box in the United States?					
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?					

Computation of Tax

Taxable estate (Item 9, Schedule B)	
Part I	
1 Gross estate tax (See instruction 14.)	
2 Credit for State death taxes (See instruction 15.)	
3 Gross estate tax less credit for State death taxes (item 1 minus item 2). This is the net amount payable unless credit for Federal gift taxes or tax on prior transfers is claimed in Part II	
Part II	
4 Credit for Federal gift taxes (See Instructions for Form 706.)	
5 Credit for tax on prior transfers (Attach Schedule P from Form 706.)	
6 Total of credits under Part II (total of items 4 and 5)	
7 Net estate tax payable (item 3 minus item 6)	

SCHEDULE A—Gross Estate in the United States

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) Alternate valuation date	(d) Alternate value in United States dollars	(e) Value at date of death in United States dollars
1				
(If more space is needed, attach additional sheets of same size)				
			Total	

SCHEDULE B—Taxable Estate

The value to be entered for item 2 includes real property situated outside of the United States. 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 7 will be limited to \$30,000. See section 13 of instructions

for circumstances under which "prorated exemption" will be allowed. If prorated exemption is claimed under the Japanese treaty, the numerator of the fraction set forth in item 7 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 (line 1 plus line 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 line 4 that line 1 bears to line 3)	-----
6 Charitable, public, and similar gifts and bequests (Attach Schedule N from Form 706.)	-----
7 Exemption of \$30,000 (in estates qualifying for "prorated exemption," use \$30,000 or $\frac{\text{line 1}}{\text{line 3}} \times \$60,000$, whichever is the greater)	-----
8 Total deductions (total of lines 5, 6, and 7)	-----
9 Taxable estate (line 1 minus line 8)	-----

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.)	----- (Address)	----- (Date)

Highlights

Supplemental Schedule B(2) is no longer required for decedents domiciled in France or Greece.

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**. 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. The third step is to determine the amount of the deductions authorized, which should be entered as item 8 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**. The fourth step is to compute the tax and any allowable credit.

Reference 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.—Form 706NA 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 \$30,000 at date of death.

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.

3. Time and place for filing return.—The return is due 9 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.

4. Payment of tax.—The tax is due 9 months after the date of the decedent's death, and must be paid within such period unless an extension of time for payment has been granted by the Director of International Operations. Make check or money order payable to the Internal Revenue Service and collectible in U.S. currency at par without any deduction for exchange or other charges.

5. Penalties.—Section 6651 provides for additions to the tax for both delinquent returns and for delinquent payments of tax unless due to reasonable cause. The law also provides penalties for willful failure to make and file a return on time and for willful attempt to evade or defeat payment of tax.

6. 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 and 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

Instructions

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 **community 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 for Form 706.

7. 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, the following rules are applicable in determining whether property is situated in the United States:

(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) 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, 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 before January 1, 1976, 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 (including a domestic banking branch of a foreign corporation), (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, 1975, the three preceding amounts shall be deemed property within the United States. 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.

8. 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
Netherlands	February 3, 1971
Norway	December 11, 1951
Switzerland	September 17, 1952
Union of South Africa	July 15, 1952
United Kingdom	July 25, 1946

*Section 6 of the instructions governs real property.

If the decedent was a domiciliary or citizen of the Netherlands (and not a domiciliary or citizen of the United States), only real property and certain directly owned business assets situated in the United States are deemed property situated within the United States for purposes of the taxable estate. However, for tax return reporting purposes, the United States situs rules determine whether a return must be filed (over \$30,000 in the United States) and the items which must be reported. For example, if the decedent owned stocks and bonds which under the United States situs rules would be deemed situated in the United States, they should be reported in Schedule A but marked "exempt—Netherlands treaty," and their total value should not be included in the amount entered at item 1 of Schedule B; their total value should, however, be included in the amount entered at item 2 of Schedule B. The convention contains detailed rules for determining domicile.

9. Description of property.—The description of property under Schedule A should be such that the property may be readily identified. Description of stocks should include number of shares, whether common or preferred, and, if preferred, what issue thereof, par value where needed for identification, 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. Description 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 the Instructions for Form 706.

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 6 of these instructions.

10. 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 "Alternate valuation date" and "Alternate value in U.S. dollars" 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 6 months 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 6 month period must be valued as of the date 6 months 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 completed.

11. 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 6 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.

If a marital deduction is claimed under the United States-France Death Tax Convention for the estate of a decedent who was domiciled in France at the time of his death, include the amount in the total entered on line 4 of Schedule B and attach Schedule M from Form 706 together with an attached sheet showing the computation of the amount of the marital deduction.

12. Charitable, public, and similar gifts and bequests.—Except as provided otherwise by treaty, a deduction may be taken on line 6 of Schedule B only if the transfer was to a domestic entity or for use within the United States as described in section 2106(a)(2) of the Code. If a charitable deduction is claimed under the United States-France Death Tax Convention or under the United States-Greece Death Tax Convention for the estate of a decedent who at the time of his death was domiciled in France or Greece or was a subject of Greece, attach Schedule N from Form 706 together with an attached sheet showing the computation of the amount of the charitable deduction.

13. Exemption.—An exemption of \$30,000 is authorized for the purpose of determining the taxable estate, and should be entered at item 7 of Schedule B unless the "prorated exemption" is claimed. 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 7 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 11 of these instructions.

14. Computation of tax.—Use the following rates unless the decedent was an "expatriate" within the meaning of section 2107 of the Code. For "expatriates" use the rates in Table A in the Instructions for Form 706.

(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) Percent
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

15. 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 2 of the "Computation of Tax." The credit cannot exceed an amount which bears the same ratio to the credit computed using Table B in the Instructions for Form 706 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. If credit is claimed for any State death tax which is subsequently recovered, see section 20.2016-1 of the regulations for the notice required within 30 days.

16. 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 11, 13, and 17 of these instructions. An English translation should be submitted with all foreign supplemental documents.

17. 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 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.

18. Declarations.—If there is more than one executor or administrator, all should verify and sign the return. If the return is prepared by an attorney or agent for the person or persons filing the return, the return must also be signed by such attorney or agent.