

United States Estate Tax Return

Estate of nonresident not a citizen of the United States

(All amounts must be expressed in United States dollars.)

Decedent's first name and middle initial		Decedent's last name		Date of death
Place of death		Domicile at time of death		Citizenship (Nationality)
Date of birth		Place of birth		Social security number (if any)
In United States	Name of personal representative		Name of attorney for estate	
	Address		Address	
Outside United States	Name of personal representative		Name of attorney for estate	
	Address		Address	

Computation of Tax

1 Taxable estate (from Schedule B, line 8)	1	
2 Adjusted taxable gifts (total amount of taxable gifts (within the meaning of section 2503 as modified by section 2511) made by the decedent after December 31, 1976, other than gifts which are includible in the decedent's gross estate (section 2101(c))	2	
3 Total (add the amount on line 1 and the amount on line 2)	3	
4 Tentative tax on the amount on line 3 (see instruction 14)	4	
5 Tentative tax on the amount on line 2 (see instruction 14)	5	
6 Balance (subtract the amount on line 5 from the amount on line 4)	6	
7 Unified credit against estate tax not to exceed the amount on line 6 (see instruction 13)	7	
8 Balance (subtract the amount on line 7 from the amount on line 6)	8	
9 Credit for State death taxes (see instruction 15 and attach credit evidence)	9	
10 Balance (subtract the amount on line 9 from the amount on line 8)	10	
11 Credit for Federal gift taxes (see sections 2102 and 2012 and attach computation)	11	
12 Credit for tax on prior transfers (attach Schedule Q from Form 706)	12	
13 Total (add the amount on line 11 and the amount on line 12)	13	
14 Balance (subtract the amount on line 13 from the amount on line 10)	14	
15 Prior payments. Explain in attached statement; see instruction 4	15	
16 United States Treasury bonds redeemed in payment of estate tax	16	
17 Total (add the amount on line 15 and the amount on line 16)	17	
18 Balance due (subtract the amount on line 17 from the amount on line 14)	18	

Please attach the necessary supplemental documents; see instruction 16.

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

(Signature of personal representative)

(Date)

(Signature of preparer (other than personal representative))

(Address)

(Date)

		Yes	No			Yes	No
1a	Did the decedent die testate?			7	Did the decedent make any transfers during lifetime, 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? If "Yes," attach Schedule G from Form 706.		
b	Were letters testamentary or of administration granted for the estate? If granted to persons other than those filing the return, include names and addresses on page 1.						
2	Did the decedent, at the time of death, own any—			8	Were there in existence at the time of the decedent's death any trusts created by the decedent during 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? If "Yes," attach Schedule G from Form 706.		
a	Real property located in the United States?						
b	Stocks of United States corporations?			9a	Did the decedent, at the time of death, possess a general power of appointment over property any part of which was situated in the United States? If "Yes," attach Schedule H from Form 706.		
c	Debt obligations of (1) a United States person or (2) the United States, a State or any political subdivision, or the District of Columbia?			b	Or, at any time, exercise or release the power? If "Yes," attach Schedule H from Form 706.		
d	Other property situated in the United States?			A general power of appointment means 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 complete definition, see section 2041 of the Code.			
3	Was the decedent engaged in business in the United States at date of death?			10a	Have Federal gift tax returns ever been filed?		
4	Did the decedent at date of death personally or through an agent have access to a safe deposit box in the United States?			b	Period(s) covered ▶		
5	Did the decedent, at the time of death, own any property situated in the United States as a joint tenant with right of survivorship or as a tenant by the entirety or with surviving spouse as community property?			c	Internal Revenue office(s) where filed ▶		
6	Did the decedent lose United States citizenship within 10 years of death?						

Schedule A Gross Estate in the United States

Do you elect to have the gross estate of the decedent valued at 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 on 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 and stock CUSIP number if available	(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

If adequate proof in support of lines 2 and 4 is not submitted, deduction on line 5 will not be allowed.

1	Gross estate in the United States (Schedule A total)	1	
2	Gross estate outside the United States	2	
3	Total gross estate wherever situated (add amounts on lines 1 and 2)	3	
4	Amount of funeral expenses, administration expenses, debts of decedent, mortgages and liens, and losses during administration (attach itemized schedule)	4	
5	Deduction for expenses, claims, etc. (that proportion of amount on line 4 that amount on line 1 bears to amount on line 3)	5	
6	Charitable deduction (attach Schedule O from Form 706)	6	
7	Total deductions (add amounts on lines 5 and 6)	7	
8	Taxable estate (subtract amount on line 7 from amount on line 1)	8	

Instructions

(References are to the Internal Revenue Code, unless otherwise noted.)

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

The first step in computing the tax liability for a nonresident not a citizen of the United States is to determine the entire gross estate wherever situated. The second step is to determine the part of the gross estate situated in the United States, which must be itemized in Schedule A. The third step is to determine the amount of the deductions authorized, which should be entered on Schedule B, line 7 and subtracted from the part of the gross estate situated in the United States in order to determine the taxable estate. The fourth step is to compute the tax and any allowable credit. In general, the estate tax is determined by applying the tax rates in instruction 14 to both transfers during life and transfers at death and then subtracting the gift taxes. Transfers during life which are includible in the gross estate are reported on an attached Schedule G (Form 706). Transfers during life other than those includible in the gross estate are reported on line 2, page 1. A unified credit against estate tax replaces the former \$30,000 specific exemption. See instruction 13 to determine the amount of the credit applicable for the year of the decedent's death. Enter the amount of the credit on line 7, page 1.

The references to the deceased person's residence generally mean 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 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 the decedent's connection with a United States possession.

For purposes of this form, personal representative means the executor, executrix, administrator, or administratrix of the deceased's estate. If no executor, executrix, administrator, or administratrix is appointed, qualified, and acting within the United States, personal representative means any person in actual or constructive possession of any property of the decedent.

Information concerning transfer certificates for United States assets may be obtained by writing to Director of International Operations, P.O. Box 896, Benjamin Franklin Station, Washington, D.C. 20044.

2. Who must file.—The personal representative must file Form 706NA for the estate of a nonresident not a citizen of the United States if the part of the gross estate as defined by the statute situated in the United States exceeded \$60,000 at date of death reduced by (i) the amount of adjusted taxable gifts made by decedent after December 31, 1976, and (ii) the aggregate amount allowed as a specific exemption under section 2521 (as in effect before its repeal by the Tax Reform Act of 1976) with respect to gifts made by decedent after September 8, 1976.

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

3. When and where to file.—File Form 706NA within 9 months after the date of the decedent's death unless an extension of time to file has been granted. If an extension has been granted, attach a copy of Form 4768. Please mail the return to the Internal Revenue Service Center, Philadelphia, PA 19255.

4. Payment of tax.—Pay the tax within 9 months after the date of the decedent's death unless an extension of time for payment has been granted. 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. If prior payments have been made to the Internal Revenue Service, or certain marketable United States Treasury bonds (is-

sued before March 4, 1971) have been redeemed at par plus accrued interest in payment of the tax at any Federal Reserve bank, the office of the Treasurer of the United States, or the Bureau of Public Debt, as explained in Rev. Proc. 69-18, Internal Revenue Cumulative Bulletin 1969-2, page 300, attach a statement to Form 706NA to include these facts. If an extension of time to pay has been granted, attach a copy of Form 4768.

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 for a nonresident not a citizen of the United States is determined in the same way as the gross estate of a citizen or resident and includes all property beneficially owned by the decedent. The following are examples of the various property interests which are includible.

(a) All property owned by decedent at time of death either as a joint tenant with right of survivorship or as a tenant by the entirety. The full value of the property must be included in the gross estate, unless it is 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. Section 2040(b) of the Code, as added by the Tax Reform Act of 1976, provides that one-half of the value of a qualified joint interest will be included in the decedent's gross estate. For the definition of a qualified joint interest, see sections 2040(b) and 2040(d).

(b) Property owned by the decedent and surviving spouse as community property to the extent of the decedent's interest in the property under the applicable law of a State, a possession of the United States, or a foreign country.

(c) Dower or curtesy of a surviving spouse and all substitute interests created by statute.

(d) Insurance proceeds 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 death, without an adequate and full consideration in money or money's worth.

(f) Property in which the decedent (1) possessed a general power of appointment at time of death or (2) exercised or released (in a specified manner) the general power of appointment during the decedent's lifetime.

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

For additional information concerning annuities, life insurance, transfers during life, and general powers of appointment, see the Estate Tax Regulations and the Instructions for Form 706.

7. Property situated in the United States.—The part of the gross estate situated within the United States must be itemized 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 the 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 in the United States.

(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, are deemed property within the United States, whether or not the written evidence

is treated as being the property itself. However, if the United States person is a domestic corporation, the debt obligation may qualify for treatment as property deemed situated outside the United States if the interest on the obligation, had it been received by the decedent at time of death, would have been treated as income from sources without the United States by reason of sections 861(a)(1)(B), 861(a)(1)(G), or 861(a)(1)(H). Section 861(a)(1)(B) refers to domestic corporations with less than 20% of gross income from sources within the United States for the 3 taxable years preceding the decedent's death. Sections 861(a)(1)(G) and 861(a)(1)(H) refer to certain domestic debt obligations which are treated as obligations of a foreign obligor (interest equalization tax election).

(d) Proceeds of insurance policies on the life of a decedent who was neither a citizen nor a resident of the United States as of the date of death are not situated in the United States.

(e) 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, or (3) held by a domestic insurance company under an agreement to pay interest, are deemed property without 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, are 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 section 2105(c).

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

*The death duty convention between the United States and Canada may not be applicable to estates of decedents dying on or after January 1, 1972.

9. Property description.—Describe the property itemized in Schedule A in sufficient detail to enable the Internal Revenue Service to identify it. Description of stocks must include number of shares, whether common or preferred, and, if preferred, what issue, par value where needed for identification, CUSIP number if available, quotation at which reported, 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 where sold. Description of bonds must 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, CUSIP number if available, the exchange where listed, or the principal business office of the corporation, if unlisted. For the rules to determine the fair market value of stocks and bonds, see the Estate Tax Regulations and the Instructions for Form 706.

Identify all jointly owned property and property owned as tenants by the entirety, and disclose the entire value 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 instruction 6, subparagraph (a). If a qualified

(Continued on page 4)

Instructions (Continued)

joint interest as defined in sections 2040(b) and 2040(d) of the Code was created within 3 years of death (and after December 31, 1976), report the qualified joint interest on Part A of Schedule G from Form 706 rather than on Schedule A to facilitate the inclusion of the gift tax in the gross estate.

10. Property valuation date.—Unless the election is properly made at the time the return is timely filed to adopt the alternate valuation authorized by section 2032, all property must be valued as of the date of the decedent's death. In this case the information indicated by the columns of Schedule A headed "Alternate valuation date" and "Alternate value in U.S. dollars" need not be shown, and the space in these columns may be utilized for descriptive matter.

If the person filing the return elects the valuation authorized by section 2032, the election must be expressly indicated in the space provided under Schedule A, and the return must be timely filed. If the 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 the distribution, sale, exchange, or other disposition, whichever first occurs, and (2) any property not distributed, sold, exchanged, or otherwise disposed of within the 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 this case all columns of Schedule A must be completed.

11. Deduction for administration expenses, claims, etc.—Deduct 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, to the extent not compensated for by insurance or otherwise.

It is immaterial whether the amounts deducted were incurred or expended within or without the United States. However, no amount may be deducted unless the value of the entire gross estate wherever situated, as described in instruction 6, is entered on Schedule B, line 3. 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, the alternate valuation must be applied to the entire gross estate. Adequate proof in support of Schedule B, lines 3 and 4 must be submitted; otherwise, this deduction will be disallowed. For this purpose attach 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. entered on Schedule B, line 4 must be supported by an itemized schedule. The schedule must show the exact nature and amount of each expense or claim and 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 based on a promise or agreement, the amount included on line 4 must be limited to the amount which was contracted bona fide and for an adequate and full consideration in money or money's worth. Deduct the value of 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, the amount of deductions entered on line 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 death, include the amount in the total entered on Schedule B, line 4 and attach Schedule M from Form 706 together with an attached sheet showing the computation of the amount of the marital deduction.

12. Charitable deduction.—If a charitable deduction is claimed on Schedule B, line 6, attach Schedule O from Form 706. Except as provided otherwise by treaty, a charitable deduction may be claimed only if the transfer was to a domestic entity or for use within the United States as described in section 2106(a)(2). 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 death was domiciled in France or Greece or was a subject of Greece, attach Schedule O from Form 706 together with an attached sheet showing the computation of the amount of the charitable deduction. For the rules governing a qualified disclaimer with respect to an interest in property, see section 2518 of the Code.

13. Unified credit.—Except for section 2107 expatriates and section 2209 residents, the credit is \$3,600. For section 2107 expatriates, the credit is \$13,000. For section 2209 residents (certain residents of United States possessions) the credit is the greater of (i) \$3,600 or (ii) the proportion of the amount below which the value of the part of the decedent's gross estate at time of death situated in the United States bears to the value of the entire gross estate wherever situated:

Date of death	Amount
During 1977	\$ 8,480
During 1978	10,080
During 1979	11,680
During 1980	13,388
After 1980	15,075

14. Tax computation.—Use the following rates unless the decedent was an "expatriate" within the meaning of section 2107. For "expatriates" use the rates in section 2001 for decedents who were citizens or residents of the United States; these rates may also be found 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	6
\$100,000	500,000	\$6,000	12
500,000	1,000,000	54,000	18
1,000,000	2,000,000	144,000	24
2,000,000	-----	384,000	30

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 these taxes are paid in respect of property included in Schedule A, credit may be claimed on line 9 of the "Computation of Tax." The credit cannot exceed an amount which bears the same ratio to the credit computed using Table C in the Instructions for Form 706 based on the Federal adjusted taxable estate (Federal taxable estate reduced by \$60,000) 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 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 possible, please attach the certificate to the return, but if that is not possible, please file it as soon thereafter as possible. If credit is claimed for any State death tax that is subsequently recovered, notice of the refund shall be sent to the appropriate district director within 30 days in accordance with the provisions of section 2016 and the regulations thereunder.

16. Supplemental documents.—If the decedent died testate, a certified copy of the will must be attached to the return. For closely held or inactive stock of a corporation, 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 five preceding years. Attach any other documents, such as appraisal lists, required for an adequate explanation. Other supplemental documents may be required as explained throughout these instructions. Attach an English translation to all foreign supplemental documents. If available, please attach copies of all United States gift tax returns filed by decedent.

17. Former United States citizens.—If the answer to question 6 on page 2, 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 attached to the return. If the loss of United States citizenship had for one of its principal purposes the avoidance of taxes, the special tax computation rules in section 2107 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 personal representative, each must verify and sign the return. If the return is prepared for the personal representative by another, the return must also be signed by the return preparer. Form 2848, Power of Attorney, may be used to authorize a qualified representative (see 26 C.F.R. 601.502) to represent the personal representative before the Internal Revenue Service.

19. Publication.—Publication 448, A Guide to Federal Estate and Gift Taxation, which is expected to be available in the early part of 1979, contains additional information.