

United States Estate (and Generation-Skipping Transfer) Tax Return
Estate of nonresident not a citizen of the United States
 (Section references are to the Internal Revenue Code.)

Attach supplemental documents and translations. Show amounts in United States dollars.

PART 1.—Decedent, Executor, and Attorney

1a Decedent's first name and middle initial		b Decedent's last name		2 U.S. social security number (if any)	
3 Place of death		4 Domicile at time of death		5 Citizenship (nationality)	
6 Date of death		7a Date of birth		b Place of birth	
8 Business or occupation		9a Name of executor		10a Name of attorney for estate	
In United States		b Address		b Address	
Outside United States		11a Name of executor		12a Name of attorney for estate	
		b Address		b Address	

PART 2.—Tax Computation

1 Taxable estate (from Schedule B, line 8)		1
2 Total taxable gifts of tangible or intangible property located in the U.S., transferred (directly or indirectly) by the decedent after December 31, 1976, and not included in the gross estate (see section 2511)		2
3 Total (add lines 1 and 2)		3
4 Tentative tax on the amount on line 3 (see instructions)		4
5 Tentative tax on the amount on line 2 (see instructions)		5
6 Gross estate tax (subtract line 5 from line 4)		6
7 Unified credit—enter lesser of line 6 amount or maximum allowed (see instructions)		7
8 Balance (subtract line 7 from line 6)		8
9 Credit for state death taxes (see instructions and attach credit evidence)		9
10 Balance (subtract line 9 from 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, Form 706)	12	
13 Total (add lines 11 and 12)		13
14 Net estate tax (subtract line 13 from line 10)		14
15 Total generation-skipping transfer tax (attach Schedule R, Form 706)		15
16 Section 4981A increased estate tax (attach Schedule S (Form 706)(see instructions))		16
17 Total transfer taxes (Add lines 14, 15, and 16)		17
18 Earlier payments (see instructions and attach explanation)	18	
19 U.S. Treasury bonds redeemed to pay estate tax	19	
20 Total (add lines 18 and 19)		20
21 Balance due (subtract line 20 from line 17) (see instructions)		21

Under penalties of perjury, I declare that I have examined this return, including any additional sheets attached, 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 executor)

 (Date)

 (Signature of preparer (other than executor))

 (Address)

 (Date)

PART 3.—General Information

		Yes	No			Yes	No
1 a	Did the decedent die testate?			7	Did the decedent make any transfer (of property that was located in the U.S. at either the time of the transfer or the time of death) described in sections 2035, 2036, 2037, or 2038 (see the instructions for Form 706, Schedule G)? <i>If "Yes," attach Schedule G, Form 706.</i>		
b	Were letters testamentary or of administration granted for the estate? <i>If granted to persons other than those filing the return, include names and addresses on page 1.</i>						
2	Did the decedent, at the time of death, own any:			8	At the date of death, had the decedent created any existing trusts that included property located in the U.S. either when the trust was created or when the decedent died? <i>If "Yes," attach Schedule G, Form 706.</i>		
a	Real property located in the U.S.?						
b	U.S. corporate stock?						
c	Debt obligations of (1) a U.S. person or (2) the U.S., a state or any political subdivision, or the District of Columbia?			9	At the date of death, did the decedent:		
d	Other property located in the U.S.?			a	Have a general power of appointment over any property located in the U.S.?		
3	Was the decedent engaged in business in the U.S. at date of death?			b	Or, at any time, exercise or release the power? <i>If "Yes" to either a or b, attach Schedule H, Form 706.</i>		
4	At date of death, did the decedent have access, personally or through an agent, to a safe deposit box located in the U.S.?			10 a	Have Federal gift tax returns ever been filed?		
5	At date of death, did the decedent own any property located in the U.S. as a joint tenant with right of survivorship; as a tenant by the entirety; or, with surviving spouse, as community property? <i>If "Yes," attach Schedule E, Form 706.</i>			b	Periods covered ► _____		
6 a	Had the decedent ever been a citizen of the United States?			c	Internal Revenue offices where filed ► _____		
b	If "Yes," did the decedent lose U.S. citizenship within 10 years of death?			11	Does the gross estate in the United States include any interests in property transferred to a "skip person" as defined in the instructions to Schedule R of Form 706? <i>If "Yes," attach Schedules R and/or R-1, Form 706.</i>		

Schedule A Gross Estate in the United States (see instructions)

Do you elect to value the decedent's gross estate at a date or dates after the decedent's death (as authorized by section 2032)?
To make the election, you must check this box "Yes." If you check "Yes," complete columns (c), (d), and (e). If you check "No," complete column (e). You may leave columns (c) and (d) blank or you may use them to expand your column (b) description.

(a) Item No.	(b) Description of property and securities For securities, give CUSIP number, if available.	(c) Alternate valuation date	(d) Alternate value in U.S. dollars	(e) Value at date of death in U.S. dollars
1				
<i>(If you need more space, attach additional sheets of same size.)</i>				
Total				

Schedule B Taxable Estate

You must document lines 2 and 4 for the deduction on line 5 to be allowed.

1	Gross estate in the U.S. (Schedule A total)	1	
2	Gross estate outside the U.S. (see instructions)	2	
3	Entire gross estate wherever located (add amounts on lines 1 and 2)	3	
4	Amount of funeral expenses, administration expenses, decedent's debts, mortgages and liens, and losses during administration (attach itemized schedule) (see instructions)	4	
5	Deduction for expenses, claims, etc. (divide line 1 by line 3 and multiply the result by line 4) (see instructions)	5	
6	Charitable deduction (attach Schedule O, Form 706) and marital deduction (attach Schedule M, Form 706, and computation)	6	
7	Total deductions (add lines 5 and 6)	7	
8	Taxable estate (subtract line 7 from line 1)	8	

Instructions

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

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Form 706.—In order to complete this return, you must obtain **Form 706**, United States Estate (and Generation-Skipping Transfer) Tax Return, and its separate instructions. You must attach schedules from Form 706 if you intend to claim a marital deduction, a charitable deduction, or a credit for tax on prior transfers, or if you answer "Yes" to questions 5, 7, 8, 9, or 11. You will need the instructions to Form 706 to explain how to value stocks and bonds. If the decedent was a U.S. expatriate, you will need the tax rate tables in the instructions to Form 706. Make sure that you obtain the revision of Form 706 that is applicable for the date of the decedent's death.

Changes You Should Note

New Generation-Skipping Transfer Tax.—A new generation-skipping transfer (GST) tax is imposed on the estates of certain decedents who died after October 22, 1986. This new tax is described in the instructions to Schedules R and R-1 of Form 706.

New Increased Estate Tax on Excess

Retirement Accumulations.—Code section 4981A imposes an increased estate tax on the estates of decedents who die after December 31, 1986. The new tax applies only if the decedent possessed at death an interest in either a qualified employer plan or an individual retirement account. If the decedent possessed such an interest, see the instructions to **Schedule S (Form 706)**, Increased Estate Tax on Excess Retirement Accumulations. Schedule S is expected to be available in late 1987.

General Instructions

A. Purpose of Form.—Form 706NA is used to compute estate (and GST) tax liability for nonresident alien 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.

If you need tax information not in these instructions, see **Publication 448**, Federal Estate and Gift Taxes. For information about transfer certificates for U.S. assets, write to the Assistant Commissioner (International), P.O. Box 19007, Washington, D.C. 20036.

B. Definitions.—The following terms are used often in these instructions:

1. The **U.S.** means the 50 States and the District of Columbia.

2. A **nonresident alien decedent** means a decedent who is neither domiciled in nor a citizen of the U.S. at the time of death. For purposes of this form, a citizen of a U.S. possession is not a U.S. citizen.

3. A **U.S. expatriate** is one who lost U.S. citizenship within 10 years before the date of death, and for whom it is reasonable to assume that a main purpose in doing so was to avoid U.S. taxes. The executor has the burden of proving otherwise. See specific instructions for question 6 of Part 3, Schedule A, and lines 4, 5, and 7 of Part 2.

C. Who Must File.—The executor must file Form 706NA if the date of death value of the decedent's gross estate located in the U.S. under Internal Revenue Code situs rules exceeds the filing limit. The filing limit is \$60,000 reduced by the sum of (1) the gift tax specific exemption (section 2521) allowed with respect to gifts made between September 9, 1976, and December 31, 1976, inclusive, and (2) the total taxable gifts made after December 31, 1976, that are not included in the gross estate.

The **executor** is the personal representative, executor, executrix, administrator, or administratrix of the deceased person's estate. If

no executor is appointed, qualified, and acting in the U.S., every person in actual or constructive possession of any of the decedent's property must file a return. If more than one person must file, it is preferable that they join in filing one complete return. Otherwise, each must file as complete a return as possible, including a full description of the property and each person's name who holds an interest in it.

D. When and Where To File.—File Form 706NA within 9 months after the date of death unless an extension of time to file was granted. In that case, attach a copy of the approved **Form 4768**, Application for Extension of Time to File U.S. Estate (and Generation-Skipping Transfer) Tax Return and/or Pay Estate (and Generation-Skipping Transfer) Tax.

Send Form 706NA to the Internal Revenue Service Center, Philadelphia, PA 19255.

E. Penalties.—By law, additional tax may be charged if the return is filed late or the tax is paid late (section 6651).

F. Death Tax Treaties.—Death tax treaties are in effect with the following countries:

Australia	Italy
Austria	Japan
Denmark	Netherlands
Federal Republic of Germany	Norway
Finland	Republic of South Africa
France	Sweden
Greece	Switzerland
Ireland	United Kingdom

Specific Instructions

Attachments.—If the decedent died testate, attach a certified copy of the will to Form 706NA. 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 appraisal lists, 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.

How To Complete Form 706NA

First, enter the decedent's name and the other information called for on Part 1. Then complete questions 1a–11 in Part 3.

The estate tax is imposed on the decedent's gross estate in the United States, reduced by allowable deductions. Compute the gross estate in the United States on Schedule A. Reduce the Schedule A total by the allowable deductions to derive the taxable estate on Schedule B, and figure the tax due using the Tax Computation schedule (Part 2).

Part 3.—General Information

Question 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 U.S.; and when the decedent lost U.S. citizenship.

Question 6b.—If you answer "Yes" but maintain that avoiding U.S. taxes was not one of the main reasons for the decedent's loss of citizenship, attach documents to sustain your position. See General Instruction B3.

Question 9.—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 a complete definition, see section 2041.

Schedule A

Before you complete Schedule A, you must determine what assets are included in the decedent's entire gross estate wherever located.

There is no space on the form to itemize the entire gross estate. You need not attach a separate itemized list of the gross estate outside the U.S. unless you claim deductions on Schedule B. See the instructions for Schedule B.

The entire gross estate wherever located is figured the same way for a nonresident alien 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:

(a) Generally, the full value of property the decedent owned at the time of death as a joint tenant with right of survivorship (but 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).

(b) 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, possession, or foreign law.

(c) A surviving spouse's dower or curtesy interest and all substitute interests created by statute.

(d) Proceeds of insurance on the decedent's life, generally including proceeds receivable by beneficiaries other than the estate.

(e) Several kinds of transfers the decedent made before death.

(f) 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.

(g) 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 Publication 448.

Enter on Schedule A all of the assets that meet both the following tests:

(1) They are included in the "entire gross estate wherever located," and

(2) They are located in the U.S.

Unless a treaty provides otherwise (see General Instruction F, Death Tax Treaties), use the following rules to determine whether assets are located in the United States:

(a) Real estate and tangible personal property are located in the U.S. if they are physically located there. An exception is made for works of art imported into the U.S. solely for public exhibition.

(b) No matter where stock certificates are physically located, stock of corporations organized in or under U.S. law is property located in the U.S., and all other corporate stock is property located outside the U.S. Foreign Registered Securities under section 871(h) are not considered located in the U.S.

(c) Proceeds of insurance policies on the decedent's life are property located outside the U.S.

Caution: *The situs rules below for domestic corporations' debt obligations and certain deposits do not reflect the revision of the income tax source rules (Code sections 861 through 865) by the Tax Reform Act of 1986. At the time this revision of Form 706NA went to print, a Technical Corrections Bill had been introduced to conform the estate tax situs rules of Code sections 2104 and 2105 to the new income tax source rules.*

(d) Debts are generally property located in the U.S. 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 are not considered located in the U.S. if interest thereon would be eligible for the exemption from tax under section 871(h)(2) were such interest received by the decedent at the time of his death.

However, a domestic corporation's debt obligation is treated as located outside the U.S. if the interest from it (had it been received at the

(Continued on page 4)

time of death) would have been treated as income from outside the U.S. because the corporation derived less than 20% of its gross income from sources in the U.S. during its 3 tax years before the decedent's death (section 861(a)(1)(B)), or if the obligation was treated as the obligation of a foreign corporation under the interest equalization tax and meets the other requirements of either section 861(a)(1)(G) or section 861(a)(1)(H).

(e) The following deposits are treated as located outside the U.S. if they are not effectively connected with conducting a trade or business within the U.S.:

- (1) A deposit with a U.S. bank or a U.S. banking branch of a foreign corporation.
- (2) A deposit or withdrawable account with a savings and loan association chartered and supervised under Federal or state law.
- (3) An amount held by a U.S. insurance company under an agreement to pay interest.
- (4) 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 these 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 U.S. 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 U.S. on the date of a section 2038 transfer but had been moved outside the U.S. at the time of the decedent's death, the item would be considered still located in the U.S. and should be listed on Schedule A.

Describe the property on Schedule A in enough detail to enable IRS to identify it. To determine the fair market value of stocks and bonds, use the rules in the instructions for Schedule B of Form 706.

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); CUSIP number if available; 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, the state in which incorporated, and the incorporation date.

In bond descriptions include the number; principal; obligor's name; maturity date; interest rate; each date when interest is payable; CUSIP number if available; and series number (if more than one issue). Give the exchange where the bond is listed; if it is unlisted, give the corporation's main business office.

If you are required to file Schedule(s) E, G, or H from Form 706, you need not enter the assets reported on those schedules on Schedule A of this Form 706NA. Instead, attach the schedule(s) to Form 706NA, enter "Total from Schedule, Form 706," and enter the total value(s) from the attached schedule(s) in either column (d) or (e).

If the decedent was a U.S. expatriate, the decedent is treated as owning a prorated share of the U.S. property held by a foreign corporation in which he or she directly owned at least 10% of the voting stock and, with related interests, controlled over 50% of it (section 2107(b)).

Property valuation date.—Generally, property must be valued as of the date of death. Columns (c) and (d) do not apply, and you may use the space to expand descriptions from column (b).

However, you may elect to use the alternate valuation date. To make this election, check the "Yes" box at the beginning of Schedule A. If you do so, the election applies to all property, and you will need to complete each column in Schedule A. 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.

If the decedent died after July 18, 1984, 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.

Schedule B

For the line 5 deduction to be allowed, you must complete lines 1–4 and document the amounts you include on lines 2 and 4.—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. If more proof is needed, you will be notified.

To support 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 2.—The amount on line 2 is the total value of the assets included in the entire gross estate that were not listed on Schedule A. If you elected the alternate valuation date for property listed on Schedule A, use it also for the assets valued 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 U.S.: funeral expenses; administration expenses; claims against the estate; unpaid mortgages and other liens; and uncompensated losses that were incurred during settlement of the estate and that arose from theft or from casualties such as fires, storm, or shipwreck. 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 if you included the full value of the mortgaged property in the total gross estate (line 3). Do not deduct death taxes, tax on income received after death, or property taxes accrued after death.

On line 4, show the total of these deductible items. In general, the total is limited to the amount on line 3.

Line 5.—To find your actual deduction, multiply the line 4 amount by a fraction. The numerator is the amount on line 1, and the denominator is the amount on line 3. Enter the result on line 5.

Line 6.—*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 U.S. as described in Publication 448. Attach Schedule O of Form 706. If you claim the deduction under a treaty, specify the applicable treaty and attach a computation of the deduction.

Marital deduction: treaty only.—Unless a treaty allows otherwise, you may not take a marital deduction. If you claim a marital deduction under a treaty, include the deduction on line 6. 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.

Part 2.—Tax Computation

Lines 4–5.—Use the following rates unless the decedent was a U.S. expatriate. In that case, use the rates given in Table A of the Instructions for Form 706.

If line 2 (line 3) is not over—	Enter	Of amount over—
\$ 100,000	6%	0
500,000	6,000 + 12%	100,000
1,000,000	54,000 + 18%	500,000
2,000,000	144,000 + 24%	1,000,000
Over \$2,000,000	384,000 + 30%	2,000,000

Line 7.—Enter the unified credit. The unified credit is allowed for the lesser of the line 6 amount or the maximum unified credit. In general, the maximum unified credit is \$3,600, but for a U.S. expatriate it is \$13,000. For a citizen of a U.S. possession (section 2209) who died after 1980, the maximum unified credit is the greater of (a) \$3,600 or (b) the product of \$15,075 times a fraction. The numerator of the fraction is the part of the gross estate located in the U.S. (line 1 of Schedule B), and the denominator is the entire gross estate wherever located (line 3 of Schedule B). If the decedent died before 1981 see section 2102(c)(3).

Line 9.—You may take a credit for part of the death or inheritance taxes you paid to a state or the District of Columbia on property listed in Schedule A. Generally, you must claim this credit within 4 years of filing the return. To find your allowed credit, use Table C in the Form 706 instructions to figure the supposed credit that would be allowable on the entire line 1 amount (reduced by \$60,000). Your allowed credit cannot be more than this supposed credit multiplied by a fraction. The numerator of the fraction is the value of the property you include in Schedule A and on which you paid the state tax, and the denominator is the value of all the property you report in Schedule A. Enter the lesser of this amount or the taxes you paid on line 9.

For the credit 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. See Regulations section 20.2011-1(c)(2) for more information about the certificate.

If you later recover any of the state tax for which you claim this credit, notify the Internal Revenue Service Center, Philadelphia, PA 19255 within 30 days of receiving any refund of state taxes.

Line 15.—If you answered "Yes" to Question 11 of Part 3, you must complete and attach Schedules R and/or R-1 from Form 706.

For the purposes of Form 706NA, the GST tax is imposed only on transfers of interests in property that is part of the gross estate in the United States. Therefore, when completing Schedules R and/or R-1, you should enter only transfers of interests in property that you listed on Schedule A of Form 706NA. Otherwise, complete Schedules R and/or R-1 according to their instructions and enter the total GST tax from Schedule R on line 15.

Line 16.—See "New Increased Estate Tax on Excess Retirement Accumulations" under Changes You Should Note, above.

Lines 18–19.—Attach an explanatory statement if earlier payments were made to the Internal Revenue Service or if payment is made by certain U.S. Treasury bonds that were issued before March 4, 1971, and redeemed at any Federal Reserve bank, the office of the Treasurer of the United States, or the Bureau of Public Debt. For details, see Rev. Proc. 69-18, 1969-2 C.B. 300.

Line 21.—Pay the balance due within 9 months after the decedent's death unless an extension of time to pay was granted. In that case, attach a copy of the approved Form 4768 to Form 706NA. Make the check or money order payable to the Internal Revenue Service for the face value in U.S. dollars.

Signature.—Form 706NA must be signed. Each executor must verify and sign it. If another person prepares Form 706NA for the executor, the preparer must also sign. The executor may use **Form 2848**, Power of Attorney and Declaration of Representative, or **Form 2848-D**, Tax Information Authorization and Declaration of Representative, to authorize another person to act for him or her before the Internal Revenue Service.