

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

by Darien Berkowitz Jacobson

The Federal tax system includes taxes on the right to transfer tangible and intangible property. The estate tax, part of the transfer taxes, is incurred when transferring property at death. This tax applies to the estates of U.S. citizens, resident aliens, and nonresident aliens who die owning property in the United States. The estate tax, whether incurred by estates of U.S. citizens, resident aliens, or nonresident aliens, is not a tax on inheritance or on property; instead, it is a tax on the right to transfer property at death.

For Filing Year 2001, the estate tax for U.S. citizens and resident aliens was incurred by estates in which decedents owned \$675,000 or more in gross assets. However, the filing threshold of \$675,000 increased to \$1,000,000 in 2002 as a result of the Economic Recovery Tax Act (ERTA) of 1997. The estates of nonresident alien decedents have a filing threshold of \$60,000 in U.S. gross assets. This threshold, established in 1988, did not increase with the ERTA of 1997. Tangible or real property that is owned by a nonresident alien and is physically located in the United States makes the asset part of the nonresident alien's U.S. gross estate. Intangible property, such as stocks or debt obligations, is included in a nonresident alien's estate based on the characteristics of the issuer or obligor. If the issuer of stock is a domestic corporation, or if the obligor of debt is a U.S. citizen or resident, domestic corporation, partnership, or Governmental unit, then the property is considered part of the nonresident alien's U.S. gross assets.

Although filing thresholds for estates of nonresident aliens differ from those of U.S. citizens and resident aliens, the same progressive tax rate structure is applied. In Filing Year 2001, the rate begins with 18 percent for the first \$10,000 of adjusted taxable estate and continues to rise until it tops out at 55 percent for adjusted taxable estates of more than \$3,000,000. However, in 2002, the highest rate decreases to 50 percent for adjusted taxable estates of more than \$2,500,000. The data collected by the Statistics of Income Division (SOI) of the Internal

Revenue Service provide a snapshot of information about nonresident alien decedents, as well as the type and value of property that they hold in the United States.

For Filing Years 2001 and 2002, there were 1,161 Federal estate tax Forms 706NA filed for nonresident alien decedents. The returns received in 2001 and 2002 were not uniform in scope; therefore, different categories were created for analysis. The filing population of returns was broken into the following three categories: regular returns, treaty status returns, and incomplete or out-of-scope returns. Regular returns are returns that were filed by the estates of nonresident alien decedents who held assets in the United States worth \$60,000 or more at the time of death. Treaty status returns were filed for nonresident aliens who held assets in the United States worth \$60,000 or more at the time of death, but were domiciled in countries in which the United States has an applicable estate tax treaty. This means that these estates have different tax options that are not offered to regular return filers, such as a higher unified credit, or special deductions. Treaty status returns are often filed without dollar amounts or with less information than regular returns, in part, due to varying reporting practices among countries. The incomplete returns are returns that are filed with missing pages or dollar amounts that prevent SOI review. Returns are considered out-of-scope if the estate held less than \$60,000 in U.S. assets. For Filing Year 2001, SOI received 139 regular returns, 371 treaty status returns, and 36 out-of-scope or incomplete returns. SOI saw 137 regular returns, 428 treaty status returns, and 50 out-of-scope or incomplete returns for Filing Year 2002 (see Figure A). In this article, the incomplete and out-of-scope returns are excluded. The population is then comprised of regular and treaty returns. However, due to filing differences between these two types of returns, data tables will refer only to the regular returns, unless otherwise stated.

## Regular Returns

The number of nonresident alien decedents whose estates filed a regular Form 706NA was 139 in 2001 and 137 in 2002 (see Figure B). In addition, the total gross estate in the United States of those who filed increased from approximately \$50.8 million in 2001 to almost \$53.3 million in 2002.

*Darien Berkowitz Jacobson is an economist with the Special Studies Branch Special Projects Section. This article was written under the direction of Barry Johnson, Chief.*

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

**Figure A**

## Form 706NA Returns Filed in 2001 and 2002, by Type of Return

Item	2001		2002	
	Number	Percentage of total	Number	Percentage of total
	(1)	(2)	(3)	(4)
<b>Total</b> .....	<b>546</b>	<b>100.0</b>	<b>615</b>	<b>100.0</b>
Regular returns.....	139	25.5	137	20.3
Treaty status returns.....	371	67.9	428	71.5
Incomplete/out-of-scope.....	36	6.6	50	8.1

NOTE: Detail may not add to 100 percent due to rounding.

For both years, the highest percentage of nonresident alien estates was in the size of U.S. gross estate category \$100,000 under \$250,000. In 2001, about 41.0 percent of estates were in this range, while, in 2002, this percentage increased to 46.0 percent. However, that is where the similarities end because the next two highest groupings were different for 2001 and 2002.

In 2001, the second highest percentage of nonresident alien estates was in the gross estate category of \$60,000 under \$100,000, with 24.4 percent of the filers in this range. The third highest percentage of nonresident alien estates was in the \$250,000 under \$500,000 category for 2001; this category held 17.3 percent of the total.

In 2002, there were 19.5 percent of the nonresident alien estates in the \$250,000 under \$500,000 range, making this the second U.S. gross estate category. The third highest category for nonresident alien estates was in the \$60,000 under \$100,000 range, which was the second highest category for 2001, with approximately 17.5 percent.

For 2001, there were 115 nonresident alien estates that incurred an estate tax liability, and 124 estates that incurred tax liabilities for 2002. The estate tax for 2001 was nearly \$9.5 million, while it increased in 2002 to almost \$11.5 million.

### Citizenship Data

In Filing Year 2001, the average size of U.S. total gross estate was \$365,563, where U.S. total gross estate is defined as the value of assets held in the United States and held by the decedent at the date of death (see Figure C). Residents of India had the highest average size of U.S. total gross estate, almost \$1.8 million, and a net estate tax of \$2,474. Estates located in Israel had the second highest average gross estate, \$1.7 million, and a higher net estate tax burden than India, almost \$2.9 million. The country with the third largest average U.S. gross estate was the Virgin Islands, which reported \$889,542 in average gross estate and zero in net estate tax liability.

**Figure B**

## Form 706NA Returns Filed in 2001 and 2002: Number of Returns and U.S. Total Gross Estate, by Size of U.S. Total Gross Estate

Size of U.S. total gross estate	U.S. total gross estate, tax purposes <sup>1</sup>					
	2001			2002		
	Number	Percentage of total	Amount	Number	Percentage of total	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b> .....	<b>139</b>	<b>100.0</b>	<b>50,813,220</b>	<b>137</b>	<b>100.0</b>	<b>53,291,181</b>
Less than \$60,000 <sup>2</sup> .....	**	**	**	--	--	--
\$60,000 under \$100,000.....	**34	**24.4	**2,561,874	24	17.5	1,736,660
\$100,000 under \$250,000.....	57	41.0	8,932,199	63	46.0	10,130,187
\$250,000 under \$500,000.....	24	17.3	8,071,104	26	19.5	9,894,566
\$500,000 under \$1 million.....	15	10.8	10,804,571	13	9.5	8,527,951
\$1 million or more.....	9	6.5	20,443,472	11	8.0	23,001,817

\*\* Data deleted or combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability. The value could be determined as of date of death or 6 months thereafter (i.e., alternate valuation).

<sup>2</sup> Due to alternate valuation, some estates fall below the filing threshold.

NOTE: Detail may not add to 100 percent due to rounding.

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

Figure C

## Form 706NA Returns: Average Size of U.S. Total Gross Estate and Net Estate Tax, by Domicile at Death, Filing Years 2001-2002

Domicile at death	2001		2002		Domicile at death	2001		2002	
	U.S. total gross estate, average <sup>1</sup>	Net estate tax	U.S. total gross estate, average <sup>1</sup>	Net estate tax		U.S. total gross estate, average <sup>1</sup>	Net estate tax	U.S. total gross estate, average <sup>1</sup>	Net estate tax
	(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)
<b>All countries.....</b>	<b>365,563</b>	<b>9,465,159</b>	<b>388,987</b>	<b>11,466,367</b>	<b>All countries--continued</b>				
Africa.....	198,142	34,433	81,609	5,651	Jamaica.....	80,576	5,361	167,046	--
Antilles.....	139,731	22,401	--	--	Jordan.....	219,000	--	117,333	700
Argentina.....	154,786	117,073	248,183	143,102	Lebanon.....	319,423	217,871	--	--
Aruba.....	--	--	53,573	--	Luxembourg.....	137,500	21,430	--	--
Bahamas.....	--	--	140,192	14,540	Mexico.....	407,194	1,805,253	235,617	518,381
Barbados.....	781,988	234,692	--	--	Nepal.....	--	--	610,958	260
Belgium.....	578,496	555,918	1,049,687	74,088	New Zealand.....	150,093	24,921	177,904	66,038
Bermuda.....	112,000	5,805	--	--	Pakistan.....	720,205	81,478	502,140	416,049
Bolivia.....	115,000	15,180	--	--	Paraguay.....	--	--	498,720	132,406
Brazil.....	522,383	815,547	478,720	939,383	Peru.....	--	--	106,404	47,624
Caicos Islands.....	151,425	23,456	--	--	Philippines.....	275,000	59,166	575,613	344,615
Chile.....	--	--	260,896	52,705	Poland.....	--	--	207,891	44,325
China.....	397,506	656,170	620,165	2,557,325	Portugal; Azores.....	--	--	--	171,970
Colombia.....	119,619	117,938	143,650	141,412	Puerto Rico.....	193,886	215,945	384,222	1,137,700
Costa Rica.....	71,242	2,600	--	--	Russia.....	251,450	58,293	845,229	--
Croatia.....	148,730	25,419	--	--	Saudi Arabia.....	90,262	19,460	--	--
Djibouti.....	316,000	60,757	--	--	Singapore.....	119,879	30,872	268,125	118,984
Dominican Republic.....	121,000	16,932	--	--	South America.....	--	--	411,551	112,727
Ecuador.....	151,996	258,671	164,536	85,040	South Korea.....	--	--	100,687	11,006
Egypt.....	771,966	243,516	440,707	247,954	Spain.....	312,222	224,032	442,425	498,541
Gabon.....	--	--	532,073	142,860	Taiwan.....	701,183	197,811	131,095	67,338
Ghana.....	--	--	153,222	26,183	Thailand.....	--	--	2,449,400	853,254
Guam.....	204,102	7,429	380,890	61,740	Trinidad and Tobago.....	--	--	454,369	127,285
Guatemala.....	317,500	71,200	100,000	10,800	Turkey.....	--	--	448,112	328,826
Haiti.....	80,000	--	--	--	Venezuela.....	169,464	326,935	447,043	1,513,964
Honduras.....	--	--	530,000	142,700	Vietnam.....	--	--	82,587	5,924
Hungary.....	84,000	5,598	--	--	Virgin Islands.....	889,542	--	--	--
India.....	1,756,609	2,474	--	--	Yugoslavia.....	--	--	1,216,240	51,307
Israel.....	1,726,701	2,883,122	258,743	247,357	Zimbabwe.....	--	--	76,550	4,303

<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability. The value could be determined as of date of death within 6 months thereafter (i.e., alternate valuation method).

For Filing Year 2002, the average size of U.S. total gross estate increased slightly to \$388,987, and the net estate tax liability increased to about \$11.5 million from almost \$9.5 million in 2001. In Filing Year 2002, there were no estates that filed a Form 706NA from India or the Virgin Islands, the leader and third largest average U.S. gross estate from 2001. Thailand had the largest average U.S. gross estate for 2002 for estates that filed a Form 706NA, almost \$2.5 million, representing a large increase from the previous year since there was no Form 706NA filed in 2001. Thailand had a net estate tax liability of \$853,254 million. In 2002, Yugoslavia had the second largest average U.S. gross estate, \$1.2 million, and its net estate tax of \$51,307. Belgium had the third largest average U.S. gross estate with

about \$1.0 million, and a net estate tax liability of almost \$74,088.

### Demographic Data

For 2001 and 2002, the IRS received 139 and 137 regular returns, respectively. In both filing years, there were more male nonresident alien decedents than female nonresident alien decedents (see Figure D). For Filing Year 2001, the number of male decedents totaled 101 (72.7 percent of the total population of regular returns), while female decedents totaled only 38 (27.3 percent). Male decedents for Filing Year 2002 totaled 102 (74.5 percent of the total population of regular returns), and female decedents totaled only 35 (25.5 percent).

The burden of estate tax fell heavier on the estates of male decedents. This is due to the higher

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

Figure D

## Form 706NA Returns Filed in 2001 and 2002, Selected Items by Sex of Decedent

Sex of decedent	U.S. total gross estate, tax purposes <sup>1</sup>						Net estate tax			
	2001			2002			2001		2002	
	Number of returns	Percentage of total	Amount	Number of returns	Percentage of total	Amount	Amount	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total.....	139	100.0	50,813,220	137	100.0	53,291,181	9,465,159	100.0	11,466,367	100.0
Male.....	101	72.7	37,079,438	102	74.5	35,334,978	6,798,533	71.8	6,178,074	53.9
Female.....	38	27.3	13,733,782	35	25.5	17,956,203	2,666,626	28.1	5,288,293	46.1

<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability. The value could be determined as of date of death within 6 months thereafter( i.e., alternate valuation).  
NOTE: Detail may not add to 100 percent due to rounding.

number of male decedents in the filing population for both 2001 and 2002. The estates of male decedents had 71.8 percent of the estate tax liability for Filing Year 2001, while the estates of female decedents held only 28.1 percent of the estate tax liability for 2001. The estates of male decedents reported almost \$6.8 million in estate tax liability for 2001, and the estates of female decedents reported almost \$2.7 million. This trend continued for Filing Year 2002. The estates of male decedents were responsible for 53.9 percent of the combined estate tax liability compared to the estates of female decedents, which were responsible for 46.1 percent. This represents approximately \$6.2 million in reported estate tax liability for male decedents and \$5.3 million in reported liability for female decedents.

For Filing Year 2001, the average age at death for this nonresident alien estate tax population was 71 years (see Figure E). Average age at death decreased by 1 year, to 70, for Filing Year 2002. The

average life expectancy for the world in 2002 was 65.2 years, according to the *World Health Report* from 2003 [1]. Therefore, the population of nonresident aliens exceeded the world average life expectancy. However, the population of nonresident aliens did not exceed the life expectancy of U.S. residents. The average life expectancy for a U.S. resident in 2001 was 77.2, according to the National Center for Health Statistics [2].

### Asset Data

For the nonresident alien, the estate tax is applied to assets located in the United States at the time of death. For estate tax purposes, the values of the nonresident alien decedent's U.S. assets are based on the fair market value at one of two dates. The decedent's executor or administrator can value the assets at the date of the decedent's death or at an alternate valuation date within 6 months after the decedent's date of death [3].

For Filing Year 2001, the estates of nonresident alien decedents held \$26.9 million in real estate, which represented 65.8 percent of the combined U.S. total gross assets (see Figure F). Real estate holdings included personal residences, as well as the value of real estate partnerships or noncorporate businesses based on the ownership of real estate. This was the largest U.S. investment for this filing population. The second most prevalent asset type for this filing year of nonresident alien decedent population was stock. Stock accounted for almost \$8.1 million of the combined U.S. gross assets, 19.8 percent of total assets for Filing Year 2001. The cash category was the third largest of all the asset categories. This category accounted for 4.9 percent for

Figure E

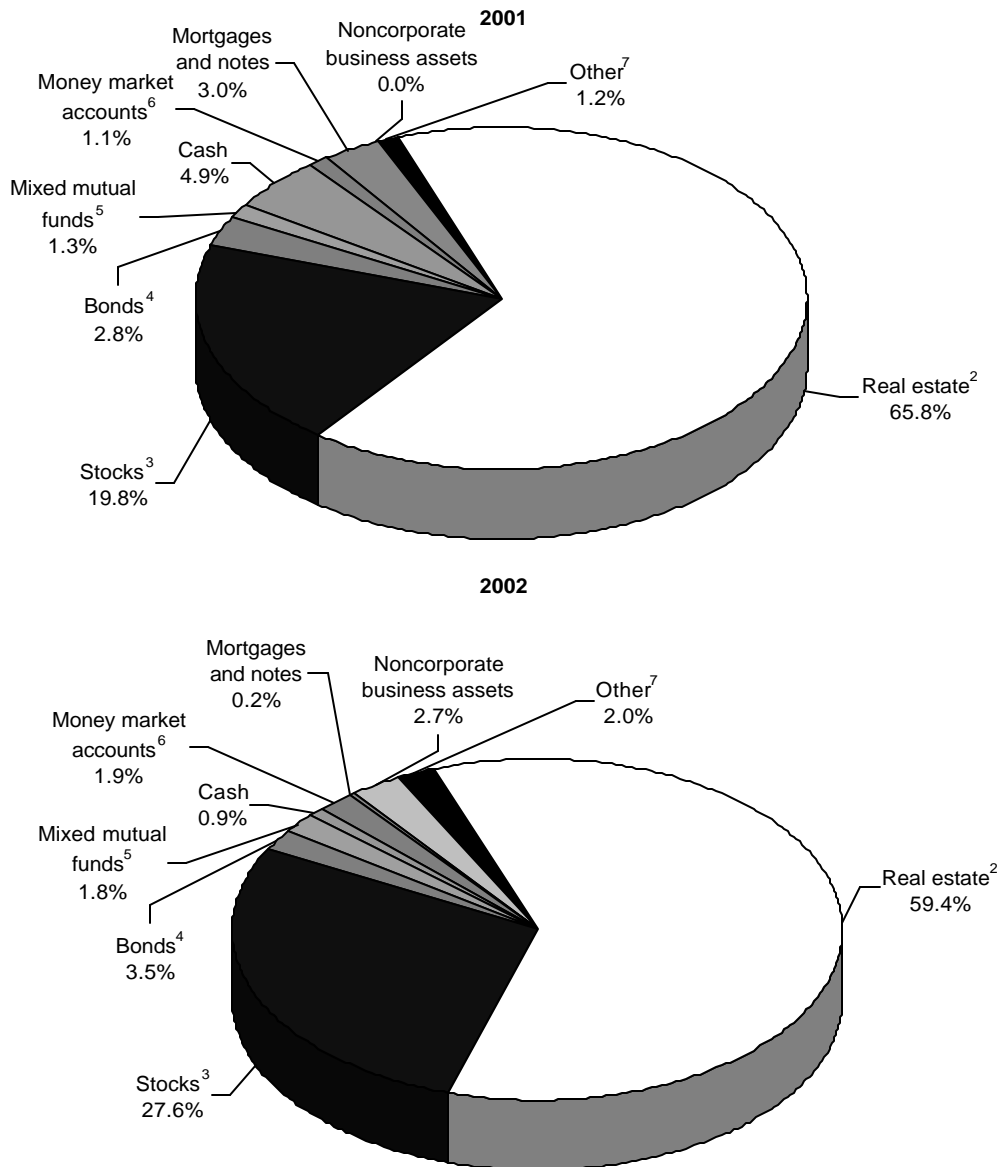
## Form 706NA Returns Filed in 2001 and 2002, by Sex and Average Age of Decedent

Sex of decedent	2001		2002	
	Number of returns	Average age	Number of returns	Average age
All.....	139	71	137	70
Male.....	101	71	102	70
Female.....	38	71	35	73

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

Figure F

## Nonresident Alien Estates: Composition of U.S. Total Gross Estate, Filing Years 2001 and 2002 <sup>1</sup>



<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability and excludes the value of limited partnerships. The value can be calculated at the date of death or within 6 months thereafter (i.e., alternate valuation method).

<sup>2</sup> Real estate category includes the value of all real estate, the value of personal residences, and the value of real estate partnerships.

<sup>3</sup> Stock category contains the value of corporate stock and stock in a closely held corporation. The value of mutual funds that are comprised mainly of stock is also included.

<sup>4</sup> Bonds category contains the value of Federal, State, and local government bonds, as well as foreign and corporate bonds. The value of mutual funds that are comprised of Federal, State, local government, foreign, and corporate bonds are also included.

<sup>5</sup> Mixed mutual funds category contains the value of funds that contain assets that are not identified. Therefore, this category may contain the value of stock, bonds, and other assets in mutual funds.

<sup>6</sup> Money market accounts category contains cash management accounts, ready asset accounts, and other banking or checking type accounts held as mutual funds.

<sup>7</sup> Other category contains insurance, depletable, and intangibles, art, and assets not classified elsewhere.

Note: Detail may not add to totals due to rounding.

## Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

U.S. assets held by the estates of nonresident alien decedents in Filing Year 2001. Assets held in the form of cash totaled \$2.0 million.

For Filing Year 2002, real estate was again the largest category of assets held in the United States by the estates of nonresident alien decedents. Real estate accounted for \$32.3 million or 59.4 percent of the total U.S. assets held by the estates of nonresident alien decedents. Assets in the form of stock were the second largest category of assets for Filing Year 2002. Assets in this form totaled almost \$15.1 million or 27.6 percent of the total U.S. assets held by the estates of nonresident aliens. For Filing Year 2002, the bonds category had the third largest holdings. This category included the value of Federal bonds, State and local bonds, corporate bonds, and bond funds. The bonds category totaled \$1.9 million, which equaled 3.5 percent of total assets for the estates of nonresident aliens.

### Treaty Status Returns

The United States has estate tax treaties with 18 countries: Australia, Austria, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Norway, Scotland, South Africa, Sweden, Switzerland, and the United Kingdom. The treaties may differ among countries, but the basic provisions provide mutual administration assistance between the U.S. and each country and avoid double taxation. This does not mean that the estates are not required to pay estate tax, but that they are given more tools to reduce the tax burden and, in some situations, reduce the tax burden to zero. Since these returns are different from returns filed by estates from other nontreaty status countries, they are separated out for this study. They also exhibit different reporting practices, since executors follow the rules of the treaty and are not always required to list the dollar amount of assets. Figures G through J refer to returns with treaty status that reported dollar amounts.

### Citizenship Data

Filing Year 2002 had 57 more treaty status returns than in the Filing Year 2001. This increase of returns filed was consistent across countries. Canada had the most decedents who owned assets in the United States at the date of death, 169 for 2001 and 198 for 2002 (see Figure G). The second highest number of estate filers came from Germany, with 80 returns for

Figure G

### Form 706NA Treaty Status Returns, by Domicile at Death, Filing Years 2001 and 2002

Domicile at death	Number of returns	
	2001	2002
<b>All countries</b> .....	<b>371</b>	<b>428</b>
Australia.....	4	10
Austria.....	--	3
Canada.....	169	198
Denmark.....	--	--
Finland.....	--	--
France.....	11	12
Germany.....	80	84
Greece.....	4	**
Ireland.....	5	8
Italy.....	4	11
Japan.....	26	21
Netherlands.....	4	5
Norway.....	--	**
Scotland.....	3	--
South Africa.....	**	**
Sweden.....	**	5
Switzerland.....	8	12
United Kingdom.....	46	54

\*\* Data deleted to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

2001 and 84 returns for 2002. The country with the third highest number of returns was the United Kingdom, with 46 returns for 2001 and 54 returns for 2002.

Canada, Germany, and the United Kingdom had the most filers for Filing Years 2001 and 2002. However, out of these three countries, Canada, with the largest number of returns filed, had the smallest average size of U.S. gross estate, only \$299,585 for 2001 and \$297,976 for 2002 (see Figure H). The United Kingdom ranked third in the number of returns filed for both 2001 and 2002 but had the second largest average size of U.S. gross estate, \$320,059 for 2001 and \$439,153 for 2002.

The estates of United Kingdom decedents had the second largest average size of U.S. gross estate, but the smallest net estate tax liability for both 2001 and 2002. The net estate tax payable by United Kingdom estates for 2001 was \$1.4 million compared to the net estate tax payable for Germany, \$7.4 million, and Canada, \$4.6 million. For Filing Year 2002, the United Kingdom had a net estate tax liability of almost \$2.7 million, while Germany and Canada had net estate tax liabilities of almost \$7.6 million and \$5.2 million, respectively.

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

Figure H

## Average Size of U.S. Total Gross Estate and Net Estate Tax for Form 706NA Treaty Status Returns Filed in 2001 and 2002, by Domicile at Death

Domicile at death	2001		2002	
	U.S. total gross estate, average <sup>1</sup>	Net estate tax	U.S. total gross estate, average <sup>1</sup>	Net estate tax
	(1)	(2)	(3)	(4)
<b>All countries.....</b>	<b>962,835</b>	<b>20,589,256</b>	<b>439,565</b>	<b>22,216,274</b>
Australia.....	359,265	322,733	380,682	408,653
Austria.....	--	--	251,455	148,836
Canada.....	299,585	4,632,941	297,976	5,243,804
Denmark.....	--	--	--	--
Finland.....	--	--	--	--
France.....	1,045,883	2,632,806	2,075,718	360,422
Germany.....	384,315	7,417,885	508,160	7,597,138
Greece.....	9,253,920	1,011	559,392	--
Ireland.....	351,162	278,146	659,762	1,351,369
Italy.....	428,823	144,124	380,888	472,080
Japan.....	471,603	3,166,049	416,239	1,244,214
Netherlands.....	396,495	22,625	783,148	975,240
Norway.....	--	--	419,518	220,341
Scotland.....	356,079	--	--	--
South Africa.....	762,229	288,549	224,414	78,140
Sweden.....	182,500	58,295	202,672	128,043
Switzerland.....	183,183	213,909	740,184	1,290,075
United Kingdom.....	320,059	1,410,183	439,153	2,697,919

<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability. The value could be determined as of date of death or within 6 months thereafter (i.e., alternate valuation method).

### Unified Credit

Part 2, line 7 of Form 706NA is the line on which the estate of the decedent reports the unified credit. The unified credit is a credit applied against the tax imposed on the estate. In general, the maximum unified credit is \$13,000; however, the maximum unified credit may be more than \$13,000 if, on the decedent's date of death, he or she was domiciled in a country that has an estate tax treaty with the United States. The tax code allows for these estates to use a unified credit equal to the amount that is equivalent to the same ratio of the credit allowed to the estate of a U.S. citizen. The numerator of the ratio is the value of the decedent's gross estate located within the United States, and the denominator is the decedent's entire gross estate wherever situated. This ratio allows the estates of these nonresident alien decedents to lower their total gross estates and thus lower the estate tax.

The estates of nonresident alien decedents domiciled in Canada at the date of death had the highest average unified credit for Filing Year 2001, about \$26,116 (see Figure I). Returns filed with estates domiciled in Greece had the second highest average

Figure I

## Average Unified Credit for Form 706NA Treaty Status Returns Filed in 2001 and 2002, by Domicile at Death

Domicile at death	Average U.S. unified credit <sup>1</sup>	
	2001	2002
<b>All countries.....</b>	<b>18,601</b>	<b>23,014</b>
Australia.....	18,940	43,134
Austria.....	--	12,974
Canada.....	26,116	31,062
Denmark.....	--	--
Finland.....	--	--
France.....	8,273	5,417
Germany.....	11,722	14,288
Greece.....	24,867	177,775
Ireland.....	10,400	9,750
Italy.....	13,000	39,827
Japan.....	23,769	21,355
Netherlands.....	6,500	5,200
Norway.....	--	13,000
Scotland.....	--	--
South Africa.....	13,000	13,000
Sweden.....	13,000	10,400
Switzerland.....	18,644	25,374
United Kingdom.....	7,909	6,079

<sup>1</sup> Unified credit is not present on all treaty returns.

## Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

unified credit, \$24,867 for Filing Year 2001. The third highest average unified credit was from estates domiciled in Japan, with \$23,769.

For Filing Year 2002, the top three countries with the highest average unified credit were different from those for the previous year. The estates from Greece had the highest average unified credit, with \$177,775, and the second highest average unified credit of \$43,134 was from estates domiciled in Australia. Canada, which had the third highest average unified credit in 2002, about \$31,062, dropped from having the highest average unified credit in 2001.

### Asset Data

The population of nonresident alien decedents domiciled in a country that maintains an estate tax treaty with the United States reported owning a total of \$98.5 million in U.S. assets at the date of death, or within 6 months thereafter, for Filing Year 2001. Out of the total assets from treaty status returns, almost \$49.2 million, or 49.9 percent, were in the form of real estate (see Figure J). This is the same percentage as returns filed by estates of nonresident alien decedents who were not domiciled in a treaty status country at the date of death.

Stock was the second largest type of asset held in the United States, almost \$32.8 million, or 33.2 percent of the total. However, the similarities between regular return filers and treaty status filers ends with the third largest category of assets, which was the mortgages and notes category. For Filing Year 2001, mortgages and notes totaled just under \$5.7 million, which was 5.7 percent of the total assets held in United States treaty status estates.

For Filing Year 2002, the total U.S. assets reported by estates of nonresident alien decedents domiciled in a country in which an estate tax treaty is held with the United States was higher than the previous year, up to \$117.2 million from \$98.5 million. There were some similarities between nonresident alien estates filing in 2001 and 2002; however, the top three categories with the largest amount of assets were the same for treaty status returns and regular returns for Filing Year 2002 with only one exception. The largest type of asset reported on treaty status returns in Filing Year 2002 was real estate, which amounted to \$82.5 million and comprised 70.4 percent of total assets. The second largest type of asset held in 2002 for treaty status returns was almost a tie

between stocks and the “other” category. The other category included the net value of insurance, depletable and intangibles, annuities, art, and assets that do not fit into any of the categories. Stocks and the other category accounted for 9.5 percent and 9.2 percent of total assets, respectively. Stock totaled \$11.1 million, whereas, “other” assets totaled almost \$10.8 million. Bonds comprised the third highest category of assets held by nonresident alien estates domiciled in treaty countries. Bonds totaled just under \$5.8 million or 4.9 percent of the total.

### Data Sources and Limitations

Since 1995, SOI has conducted an annual study of Federal estate tax returns filed for nonresident aliens (Forms 706NA). The demographic, financial, and asset information for Filing Years 2001 and 2002 was extracted from Forms 706NA filed in the Philadelphia Submission Processing Center. For each year, nonresident alien estate tax returns were examined for the population of filers. Therefore, the amounts shown in this article are not estimates but rather pre-audit population figures.

The United States maintains estate and gift tax treaties with a number of countries. These treaties are in place to help avoid double taxation and to provide mutual administrative assistance between the United States and its treaty partners. The reporting on these returns varies among countries. Therefore, the information extracted from these Forms 706NA explicitly identified as treaty returns in Filing Years 2001 and 2002 are separated from regular returns.

### Explanation of Selected Terms

Brief definitions of some of the terms used in the text and tables are provided below:

*Adjusted taxable estate.*--Adjusted taxable estate is equal to the sum of taxable estate and adjusted taxable gifts.

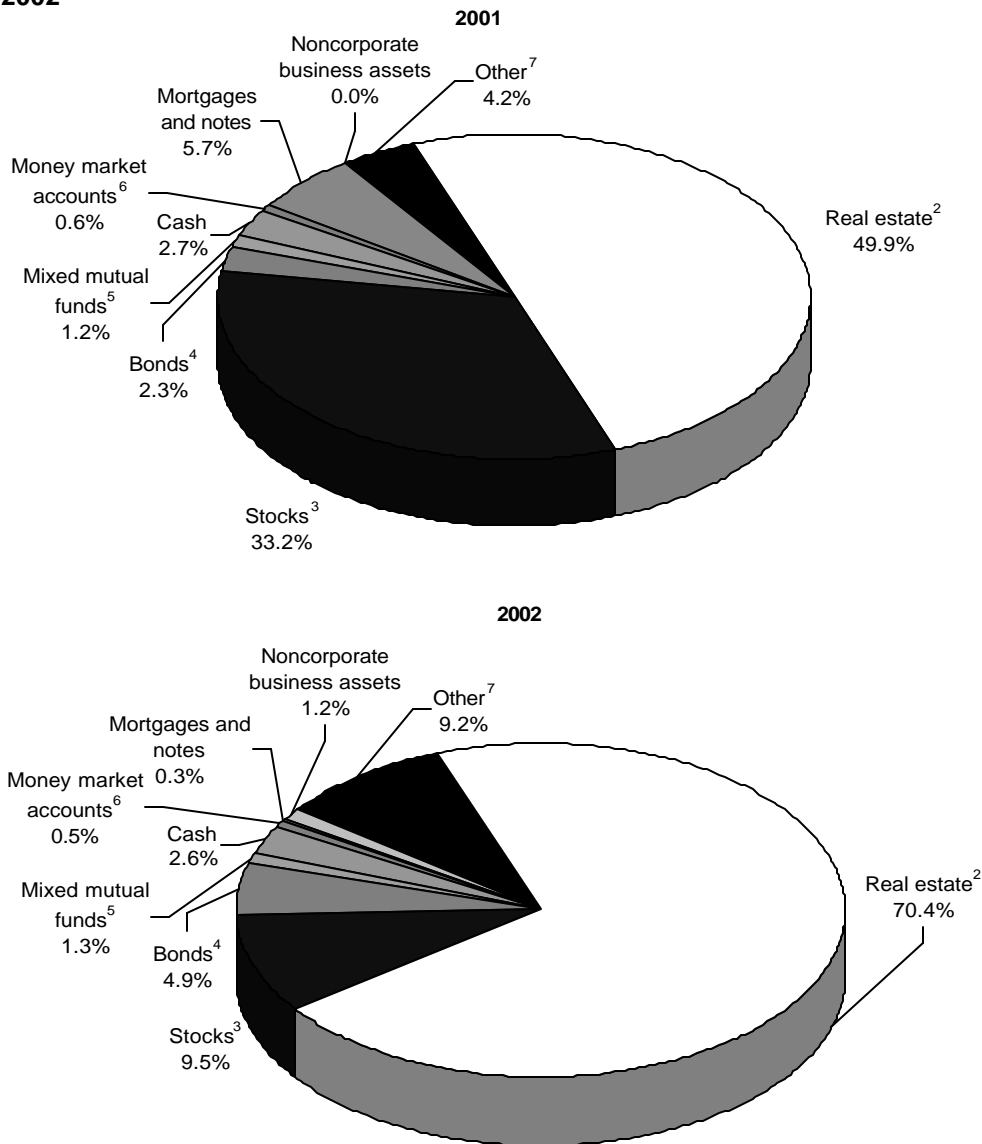
*Adjusted taxable gifts.*--Certain gifts of tangible or intangible property located in the United States and made during the life of an individual who died before 1982 were automatically included in gross estate. However, for the estate of an individual who died after 1981, these gifts were not generally included in the gross estate. Instead, they were added to the taxable estate, creating the “adjusted taxable estate” for the purposes of determining the “estate tax before credits.”



# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

Figure J

## Nonresident Alien Estates with Treaty Status: Composition of U.S. Total Gross Estate, Filing Years 2001 and 2002 <sup>1</sup>



<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability and excludes the value of limited partnerships. The value can be calculated at the date of death or within 6 months thereafter (i.e., alternate valuation method).

<sup>2</sup> Real estate category includes the value of all real estate, the value of personal residences, and the value of real estate partnerships.

<sup>3</sup> Stock category contains the value of corporate stock and stock in a closely held corporation. The value of mutual funds that are comprised mainly of stock is also included.

<sup>4</sup> Bonds category contains the value of Federal, State, and local government bonds, as well as foreign and corporate bonds. The value of mutual funds that are comprised of Federal, State, local government, foreign, and corporate bonds are also included.

<sup>5</sup> Mixed mutual funds category contains the value of funds that contain assets that are not identified. Therefore, this category may contain the value of stock, bonds, and other assets in mutual funds.

<sup>6</sup> Money market accounts category contains cash management accounts, ready asset accounts, and other banking or checking type accounts held as mutual funds.

<sup>7</sup> Other category contains net value of insurance, contains depletable and intangibles, art, and assets not classified elsewhere.

Note: Detail may not add to totals due to rounding.

## Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

*Charitable deduction.*--This was the deduction allowable for a decedent's contributions to qualifying charitable organizations.

*Estate tax before credits.*--This was the tax obtained by applying the graduated estate tax rates to the adjusted taxable estate reduced by the amount of Federal gift taxes previously paid.

*Federal gift taxes previously paid.*--Credit was allowed against the estate tax for the Federal gift tax paid on gifts made by a decedent before 1977. No credit, apart from the unified credit, was allowed for any gift tax paid on gifts made after 1976.

*Marital deduction.*--This is equal to the value of property interests passing from the decedent to the surviving spouse and was taken as a deduction from the "total gross estate." Unless an estate tax treaty allows otherwise, the marital deduction was allowed only if the surviving spouse was a U.S. citizen or if the property passed to a qualified domestic trust (QDOT) described in IRC section 2056A.

*Net estate tax.*--This was the estate's tax liability after credits for State death taxes, foreign death taxes, tax on prior transfers, and Federal gift taxes previously paid were subtracted from gross estate tax. In addition to these credits, a "unified credit," graduated according to the year of death and a "credit" for gift taxes paid on post-1976 gifts, is allowed (see also "unified credit").

*Nonresident alien decedent.*--A nonresident alien decedent is neither domiciled in, nor a citizen of, the United States at the time of death. According to IRS definition, a citizen of a U.S. possession is not a U.S. citizen.

*Nontaxable returns.*--Nontaxable returns were those with no estate tax liability after credits.

*Other tax credits.*--This was the sum of the tax credits for death taxes paid to foreign governments and Federal gift taxes previously paid. It also included a tax credit for Federal estate tax paid on property received by the decedent or the estate from a transferor who died within 10 years before, or 2 years after, the decedent. This credit was intended to lessen the burden of double taxation between successive estates whose owners had died within a short period of time. Depending on the time that elapsed between the deaths, a credit was allowed for all or part of the Federal estate tax paid by the transferor's estate with respect to the transfer.

*Tax on prior transfers.*--A tax credit was allowed for Federal estate tax paid on property received by the decedent or the estate from a transferor who died within 10 years before, or 2 years after, the decedent. The credit was intended to lessen the burden of double taxation between successive estates whose owners had died within a short period of time. Depending on the time that elapsed between the deaths, a credit was allowed for all or part of the Federal estate tax paid by the transferor's estate with respect to the transfer.

*Taxable estate.*--Taxable estate was the base to which the graduated Federal estate tax rates were applied in computing the estate tax before credits. Taxable estate is equal to the value of the "total gross estate" less deductions for the following: funeral and administrative expenses; casualty and theft losses; debts, mortgages, losses, and other claims against the estate, including pledges to charitable organizations; bequests to the surviving spouse; and the "employee stock ownership plan" (ESOP) deduction (included in the statistics for "other expenses and losses").

*Taxable returns.*--Taxable returns were those with estate tax liability after credits.

*Unified credit.*--The unified credit, so called because it is used for both estate and gift tax purposes, is applied as a dollar-for-dollar reduction of the estate tax. (The unified credit represents the amount of tax on that part of gross estate that is below the filing requirement.) The credit must be used to offset gift taxes on lifetime transfers made after 1976. However, to the extent it is so used, the amount of credit available at death is reduced.

### Notes and References

- [1] *World Health Report 2003: Shaping the Future.* This information is available from the World Wide Web at [http://www.who.int/whr/2003/en/Facts\\_and\\_Figures-en.pdf](http://www.who.int/whr/2003/en/Facts_and_Figures-en.pdf).
- [2] National Center for Health Statistics. This information is available from the World Wide Web at <http://www.cdc.gov/nchs/products/pubs/pubd/lftbls/life/1966.htm>.
- [3] See Internal Revenue Code section 2032 for a full explanation of alternate value. Source: IRS Statistics of Income Bulletin, Summer 2004, Publication 1136 (Rev. 09-2004.)

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

**Table 1.--Nonresident Alien Estate Tax Returns Filed in 2001: Gross Estate in the U.S., Outside the U.S., and Worldwide, and U.S. Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax, and Tax Credits, by Tax Status and Size of U.S. Gross Estate**

[Money amounts are in whole dollars]

Tax status, size of U.S. gross estate	Total gross estate, U.S., tax purposes <sup>1</sup>		Total gross estate, outside the U.S.		Total gross estate, worldwide		Real estate <sup>2</sup>	
	Number (1)	Amount (2)	Number (3)	Amount (4)	Number (5)	Amount (6)	Number (7)	Amount (8)
<b>All returns, total.....</b>	<b>139</b>	<b>50,813,220</b>	<b>139</b>	<b>47,540,957</b>	<b>139</b>	<b>98,354,180</b>	<b>96</b>	<b>26,901,955</b>
Less than \$100,000.....	34	2,561,874	34	5,364,159	34	7,926,033	23	1,776,703
\$100,000 under \$500,000.....	81	17,003,303	81	28,471,761	81	45,475,067	50	9,127,142
\$500,000 or more.....	24	31,248,043	24	13,705,037	24	44,953,080	23	15,998,110
<b>Nontaxable returns, total.....</b>	<b>24</b>	<b>7,810,362</b>	<b>24</b>	<b>4,108,866</b>	<b>24</b>	<b>11,919,228</b>	<b>15</b>	<b>5,298,029</b>
Less than \$100,000.....	10	666,655	10	266,485	10	933,140	7	486,900
\$100,000 under \$500,000.....	11	2,210,465	11	1,269,576	11	3,480,041	5	1,101,900
\$500,000 or more.....	3	4,933,242	3	2,572,805	3	7,506,047	3	3,709,229
<b>Taxable returns, total.....</b>	<b>115</b>	<b>43,002,858</b>	<b>115</b>	<b>43,432,091</b>	<b>115</b>	<b>86,434,952</b>	<b>81</b>	<b>21,603,926</b>
Less than \$100,000.....	24	1,895,219	24	5,097,674	24	6,992,893	16	1,289,803
\$100,000 under \$500,000.....	70	14,792,838	70	27,202,185	70	41,995,026	45	8,025,242
\$500,000 or more.....	21	26,314,801	21	11,132,232	21	37,447,033	20	12,288,881

Tax status, size of U.S. gross estate	Stocks <sup>3</sup>		Bonds <sup>4</sup>		Mixed mutual funds <sup>5</sup>		Cash	
	Number (9)	Amount (10)	Number (11)	Amount (12)	Number (13)	Amount (14)	Number (15)	Amount (16)
<b>All returns, total.....</b>	<b>47</b>	<b>8,098,049</b>	<b>16</b>	<b>1,149,361</b>	<b>8</b>	<b>526,018</b>	<b>17</b>	<b>2,023,350</b>
Less than \$100,000.....	7	419,329	5	166,834	**	**	**	**
\$100,000 under \$500,000.....	36	5,261,348	11	982,527	**8	**526,018	**11	**104,216
\$500,000 or more.....	4	2,417,372	--	--	--	--	6	1,919,134
<b>Nontaxable returns, total.....</b>	<b>8</b>	<b>1,763,978</b>	<b>3</b>	<b>374,424</b>	<b>3</b>	<b>276,505</b>	<b>3</b>	<b>46,034</b>
Less than \$100,000.....	**	**	--	--	**	**	**	**
\$100,000 under \$500,000.....	**8	**1,763,978	3	374,424	**3	**276,505	**3	**46,034
\$500,000 or more.....	**	**	--	--	--	--	**	**
<b>Taxable returns, total.....</b>	<b>39</b>	<b>6,334,071</b>	<b>13</b>	<b>774,937</b>	<b>5</b>	<b>249,513</b>	<b>14</b>	<b>1,977,316</b>
Less than \$100,000.....	**	**	5	166,834	**	**	**	**
\$100,000 under \$500,000.....	**39	**6,334,071	8	608,103	**5	**249,513	**14	**1,977,316
\$500,000 or more.....	**	**	--	--	--	--	**	**

Tax status, size of U.S. gross estate	Money market accounts <sup>6</sup>		Insurance, net value		Limited partnerships		Noncorporate business assets <sup>7</sup>	
	Number (17)	Amount (18)	Number (19)	Amount (20)	Number (21)	Amount (22)	Number (23)	Amount (24)
<b>All returns, total.....</b>	<b>10</b>	<b>443,842</b>	<b>**</b>	<b>**</b>	<b>6</b>	<b>8,576,409</b>	<b>--</b>	<b>--</b>
Less than \$100,000.....	3	20,036	**	**	**	**	--	--
\$100,000 under \$500,000.....	**7	**423,806	**	**	**6	**8,576,409	--	--
\$500,000 or more.....	**	**	**	**	**	**	--	--
<b>Nontaxable returns, total.....</b>	<b>3</b>	<b>141,351</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Less than \$100,000.....	**3	**141,351	--	--	--	--	--	--
\$100,000 under \$500,000.....	**	**	--	--	--	--	--	--
\$500,000 or more.....	--	--	--	--	--	--	--	--
<b>Taxable returns, total.....</b>	<b>7</b>	<b>302,491</b>	<b>**</b>	<b>**</b>	<b>6</b>	<b>8,576,409</b>	<b>--</b>	<b>--</b>
Less than \$100,000.....	**	**	**	**	**	**	--	--
\$100,000 under \$500,000.....	**7	**302,491	**	**	**6	**8,576,409	--	--
\$500,000 or more.....	**	**	**	**	**	**	--	--

Footnotes at end of table.

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

**Table 1.--Nonresident Alien Estate Tax Returns Filed in 2001: Gross Estate in the U.S., Outside the U.S., and Worldwide, and U.S. Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax, and Tax Credits, by Tax Status and Size of U.S. Gross Estate--Continued**

[Money amounts are in whole dollars]

Tax status, size of U.S. gross estate	Mortgages and notes		Other assets <sup>a</sup>		Funeral expenses		Executors' commissions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All returns, total.....</b>	<b>4</b>	<b>1,240,933</b>	<b>26</b>	<b>1,852,127</b>	<b>41</b>	<b>400,412</b>	<b>8</b>	<b>659,842</b>
Less than \$100,000.....	**	**	3	16,600	9	31,493	--	--
\$100,000 under \$500,000.....	**4	**1,240,933	16	332,499	25	277,428	5	368,659
\$500,000 or more.....	**	**	7	1,503,028	7	91,491	3	291,183
<b>Nontaxable returns, total.....</b>	<b>**</b>	<b>**</b>	<b>3</b>	<b>115,600</b>	<b>6</b>	<b>14,925</b>	<b>--</b>	<b>--</b>
Less than \$100,000.....	--	--	**	**	**6	**14,925	--	--
\$100,000 under \$500,000.....	**	**	**3	**115,600	**	**	--	--
\$500,000 or more.....	--	--	**	**	**	**	--	--
<b>Taxable returns, total.....</b>	<b>**</b>	<b>**</b>	<b>23</b>	<b>1,736,527</b>	<b>35</b>	<b>385,487</b>	<b>8</b>	<b>659,842</b>
Less than \$100,000.....	**	**	**	**	5	24,438	--	--
\$100,000 under \$500,000.....	**	**	**23	**1,736,527	**30	**361,049	5	368,659
\$500,000 or more.....	**	**	**	**	**	**	3	291,183

Tax status, size of U.S. gross estate	Attorneys' fees		Other expenses/losses		Debts and mortgages		Marital and charitable deductions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns, total.....</b>	<b>29</b>	<b>1,458,933</b>	<b>49</b>	<b>2,016,230</b>	<b>41</b>	<b>23,213,486</b>	<b>11</b>	<b>2,516,210</b>
Less than \$100,000.....	3	13,224	12	289,698	7	311,322	--	--
\$100,000 under \$500,000.....	17	520,438	34	1,483,172	23	2,422,985	**11	**2,516,210
\$500,000 or more.....	9	925,271	11	450,774	11	20,479,179	**	**
<b>Nontaxable returns, total.....</b>	<b>**</b>	<b>**</b>	<b>8</b>	<b>207,414</b>	<b>8</b>	<b>14,253,187</b>	<b>7</b>	<b>1,634,882</b>
Less than \$100,000.....	**	**	5	20,468	**8	**14,253,187	--	--
\$100,000 under \$500,000.....	**	**	**3	**186,946	**	**	7	1,634,882
\$500,000 or more.....	**	**	**	**	**	**	--	--
<b>Taxable returns, total.....</b>	<b>**29</b>	<b>**1,458,933</b>	<b>49</b>	<b>2,016,230</b>	<b>33</b>	<b>8,960,299</b>	<b>4</b>	<b>881,328</b>
Less than \$100,000.....	**	**	7	269,230	**	**	--	--
\$100,000 under \$500,000.....	**	**	**42	**1,747,000	**33	**8,960,299	**4	**881,328
\$500,000 or more.....	**	**	**	**	**	**	**	**

Tax status, size of U.S. gross estate	Total allowable deductions		Taxable estate		Adjusted taxable estate		Estate tax before credits	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All returns, total.....</b>	<b>72</b>	<b>18,170,449</b>	<b>126</b>	<b>37,722,717</b>	<b>126</b>	<b>37,722,717</b>	<b>125</b>	<b>12,544,763</b>
Less than \$100,000.....	14	311,927	33	2,273,385	33	2,273,385	33	509,030
\$100,000 under \$500,000.....	44	3,068,277	72	13,523,519	72	13,523,519	71	3,672,309
\$500,000 or more.....	14	14,790,245	21	21,925,813	21	21,925,813	21	8,363,424
<b>Nontaxable returns, total.....</b>	<b>16</b>	<b>13,347,597</b>	<b>11</b>	<b>634,274</b>	<b>11</b>	<b>634,274</b>	<b>10</b>	<b>108,275</b>
Less than \$100,000.....	6	235,084	**11	**634,274	**11	**634,274	**10	**108,275
\$100,000 under \$500,000.....	**10	**13,112,513	**	**	**	**	**	**
\$500,000 or more.....	**	**	--	--	--	--	--	--
<b>Taxable returns, total.....</b>	<b>56</b>	<b>4,822,852</b>	<b>115</b>	<b>37,088,443</b>	<b>115</b>	<b>37,088,443</b>	<b>115</b>	<b>12,436,488</b>
Less than \$100,000.....	8	76,843	24	1,818,374	24	1,818,374	24	411,693
\$100,000 under \$500,000.....	**48	**4,746,009	**91	**35,270,069	**91	**35,270,069	**91	**12,024,796
\$500,000 or more.....	**	**	**	**	**	**	**	**

Footnotes at end of table.

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

**Table 1.--Nonresident Alien Estate Tax Returns Filed in 2001: Gross Estate in the U.S., Outside the U.S., and Worldwide, and U.S. Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax, and Tax Credits, by Tax Status and Size of U.S. Gross Estate--Continued**

[Money amounts are in whole dollars]

Tax status, size of U.S. gross estate	Allowable unified credit		State death tax credit		Other credits		Net estate tax	
	Number (49)	Amount (50)	Number (51)	Amount (52)	Number (53)	Amount (54)	Number (55)	Amount (56)
<b>All returns, total.....</b>	<b>121</b>	<b>1,570,534</b>	<b>50</b>	<b>366,676</b>	<b>6</b>	<b>1,155,395</b>	<b>115</b>	<b>9,465,159</b>
Less than \$100,000.....	30	370,337	**	**	--	--	24	138,475
\$100,000 under \$500,000.....	71	940,197	**35	**59,035	3	113,022	70	2,573,273
\$500,000 or more.....	20	260,000	15	307,641	3	1,042,373	21	6,753,411
<b>Nontaxable returns, total.....</b>	<b>11</b>	<b>121,275</b>	--	--	--	--	--	--
Less than \$100,000.....	**11	**121,275	--	--	--	--	--	--
\$100,000 under \$500,000.....	**	**	--	--	--	--	--	--
\$500,000 or more.....	--	--	--	--	--	--	--	--
<b>Taxable returns, total.....</b>	<b>110</b>	<b>1,449,259</b>	<b>50</b>	<b>366,676</b>	<b>6</b>	<b>1,155,395</b>	<b>115</b>	<b>9,465,159</b>
Less than \$100,000.....	21	273,000	**	**	--	--	24	138,475
\$100,000 under \$500,000.....	**89	**1,176,259	**35	**59,035	3	113,022	70	2,573,273
\$500,000 or more.....	**	**	15	307,641	3	1,042,373	21	6,753,411

\*\* Data deleted or combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability. The value can be calculated at the date of death or within 6 months thereafter (i.e., alternate valuation method).

<sup>2</sup> Real estate category includes the value of all real estate, the value of personal residences, and the value of real estate partnerships.

<sup>3</sup> Stock category contains the value of corporate stock and stock in a closely held corporation. The value of mutual funds that are comprised mainly of stock is also included.

<sup>4</sup> Bonds category contains the value of Federal, State, and local government bonds, as well as foreign and corporate bonds. The value of mutual funds that are comprised of Federal, State, local government, foreign, and corporate bonds are also included.

<sup>5</sup> Mixed mutual funds category contains the value of funds that contain assets that are not identified. Therefore, this category may contain the value of stock, bonds, and other assets in mutual funds.

<sup>6</sup> Money market accounts category contains cash management accounts, ready asset accounts, and other banking or checking type accounts held as mutual funds.

<sup>7</sup> The noncorporate business category includes the value of farm assets, limited partnerships, and other noncorporate business assets.

<sup>8</sup> Other category contains depletables and intangibles, art, and assets not classified elsewhere.

NOTE: Detail may not add to totals due to rounding.

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

**Table 2.--Nonresident Alien Estate Tax Returns Filed in 2002: Gross Estate in the U.S., Outside the U.S., and Worldwide, and U.S. Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax, and Tax Credits, by Tax Status and Size of U.S. Gross Estate**

[Money amounts are in whole dollars]

Tax status, size of U.S. gross estate	Total gross estate, U.S., tax purposes <sup>1</sup>		Total gross estate, outside the U.S.		Total gross estate, worldwide		Real estate <sup>2</sup>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All returns, total.....</b>	<b>137</b>	<b>53,291,181</b>	<b>137</b>	<b>130,408,095</b>	<b>137</b>	<b>183,699,274</b>	<b>82</b>	<b>32,355,927</b>
Less than \$100,000.....	24	1,736,660	24	16,497,326	24	18,233,986	11	858,684
\$100,000 under \$500,000.....	89	20,024,753	89	78,551,062	89	98,575,813	53	11,819,389
\$500,000 or more.....	24	31,529,768	24	35,359,707	24	66,889,475	18	19,677,854
<b>Nontaxable returns, total.....</b>	<b>13</b>	<b>6,159,122</b>	<b>13</b>	<b>3,930,990</b>	<b>13</b>	<b>10,090,112</b>	<b>7</b>	<b>4,444,696</b>
Less than \$100,000.....	5	299,301	5	3,463,498	5	3,762,799	**	**
\$100,000 under \$500,000.....	5	665,929	5	406,992	5	1,072,921	**4	**369,446
\$500,000 or more.....	3	5,193,892	3	60,500	3	5,254,392	3	4,075,250
<b>Taxable returns, total.....</b>	<b>124</b>	<b>47,132,059</b>	<b>124</b>	<b>126,477,105</b>	<b>124</b>	<b>173,609,162</b>	<b>75</b>	<b>27,911,231</b>
Less than \$100,000.....	19	1,437,359	19	13,033,828	19	14,471,187	**	**
\$100,000 under \$500,000.....	84	19,358,824	84	78,144,070	84	97,502,892	**60	**12,308,627
\$500,000 or more.....	21	26,335,876	21	35,299,207	21	61,635,083	15	15,602,604

Tax status, size of U.S. gross estate	Stocks <sup>3</sup>		Bonds <sup>4</sup>		Mixed mutual funds <sup>5</sup>		Cash	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All returns, total.....</b>	<b>52</b>	<b>15,058,621</b>	<b>10</b>	<b>1,917,836</b>	<b>10</b>	<b>1,008,233</b>	<b>19</b>	<b>496,685</b>
Less than \$100,000.....	8	553,405	--	--	**	**	**	**
\$100,000 under \$500,000.....	30	7,972,810	5	1,002,902	**7	**883,668	**16	**489,532
\$500,000 or more.....	14	6,532,406	5	914,934	3	491,638	3	7,153
<b>Nontaxable returns, total.....</b>	<b>6</b>	<b>526,186</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>
Less than \$100,000.....	**6	**526,186	--	--	--	--	--	--
\$100,000 under \$500,000.....	**	**	**	**	**	**	**	**
\$500,000 or more.....	**	**	**	**	**	**	**	**
<b>Taxable returns, total.....</b>	<b>46</b>	<b>14,532,435</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>	<b>**</b>
Less than \$100,000.....	4	261,647	--	--	**	**	**	**
\$100,000 under \$500,000.....	**42	**14,270,788	**	**	**	**	**	**
\$500,000 or more.....	**	**	**	**	**	**	**	**

Tax status, size of U.S. gross estate	Money market accounts <sup>6</sup>		Insurance, net value		Limited partnerships		Noncorporate business assets <sup>7</sup>	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns, total.....</b>	<b>16</b>	<b>1,021,734</b>	<b>**</b>	<b>**</b>	<b>--</b>	<b>--</b>	<b>3</b>	<b>1,462,147</b>
Less than \$100,000.....	--	--	--	--	--	--	--	--
\$100,000 under \$500,000.....	11	748,523	--	--	--	--	**	**
\$500,000 or more.....	5	273,211	**	**	--	--	**	**
<b>Nontaxable returns, total.....</b>	<b>3</b>	<b>118,713</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Less than \$100,000.....	--	--	--	--	--	--	--	--
\$100,000 under \$500,000.....	**	**	--	--	--	--	--	--
\$500,000 or more.....	**	**	--	--	--	--	--	--
<b>Taxable returns, total.....</b>	<b>13</b>	<b>903,021</b>	<b>**</b>	<b>**</b>	<b>--</b>	<b>--</b>	<b>3</b>	<b>1,462,147</b>
Less than \$100,000.....	--	--	--	--	--	--	--	--
\$100,000 under \$500,000.....	10	747,797	--	--	--	--	**	**
\$500,000 or more.....	3	155,224	**	**	--	--	**	**

Footnotes at end of table.

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

**Table 2.--Nonresident Alien Estate Tax Returns Filed in 2002: Gross Estate in the U.S., Outside the U.S., and Worldwide, and U.S. Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax, and Tax Credits, by Tax Status and Size of U.S. Gross Estate--Continued**

[Money amounts are in whole dollars]

Tax status, size of U.S. gross estate	Mortgages and notes		Other assets <sup>a</sup>		Funeral expenses		Executors' commissions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>All returns, total.....</b>	<b>**</b>	<b>**</b>	<b>33</b>	<b>1,087,499</b>	<b>26</b>	<b>1,182,611</b>	<b>3</b>	<b>39,441</b>
Less than \$100,000.....	--	--	3	151,289	3	918,014	--	--
\$100,000 under \$500,000.....	**	**	20	551,431	14	162,643	**3	**39,441
\$500,000 or more.....	--	--	10	384,779	9	101,954	**	**
<b>Nontaxable returns, total.....</b>	<b>**</b>	<b>**</b>	<b>**5</b>	<b>**149,054</b>	<b>3</b>	<b>918,714</b>	<b>--</b>	<b>--</b>
Less than \$100,000.....	--	--	**	**	**3	**918,714	--	--
\$100,000 under \$500,000.....	**	**	**5	**149,054	--	--	--	--
\$500,000 or more.....	--	--	**	**	**	**	--	--
<b>Taxable returns, total.....</b>	<b>--</b>	<b>--</b>	<b>28</b>	<b>938,445</b>	<b>23</b>	<b>263,897</b>	<b>3</b>	<b>39,441</b>
Less than \$100,000.....	--	--	**	**	**	**	--	--
\$100,000 under \$500,000.....	--	--	**28	**938,445	**23	**263,897	**3	**39,441
\$500,000 or more.....	--	--	**	**	**	**	**	**

Tax status, size of U.S. gross estate	Attorneys' fees		Other expenses/losses		Debts and mortgages		Marital and charitable deductions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns, total.....</b>	<b>24</b>	<b>649,974</b>	<b>40</b>	<b>1,489,953</b>	<b>18</b>	<b>3,670,298</b>	<b>12</b>	<b>6,820,069</b>
Less than \$100,000.....	3	16,750	4	376,443	--	--	--	--
\$100,000 under \$500,000.....	13	199,130	25	460,524	10	871,246	4	311,583
\$500,000 or more.....	8	434,094	11	652,986	8	2,799,052	8	6,508,486
<b>Nontaxable returns, total.....</b>	<b>3</b>	<b>30,724</b>	<b>3</b>	<b>454,854</b>	<b>**</b>	<b>**</b>	<b>5</b>	<b>4,306,709</b>
Less than \$100,000.....	**3	**30,724	**3	**454,854	--	--	--	--
\$100,000 under \$500,000.....	--	--	--	--	--	--	**	**
\$500,000 or more.....	**	**	**	**	**	**	**5	**4,306,709
<b>Taxable returns, total.....</b>	<b>21</b>	<b>619,250</b>	<b>37</b>	<b>1,035,099</b>	<b>**18</b>	<b>**3,670,298</b>	<b>7</b>	<b>2,513,360</b>
Less than \$100,000.....	**	**	**	**	--	--	--	--
\$100,000 under \$500,000.....	**21	**619,250	**37	**1,035,099	10	871,246	**	**
\$500,000 or more.....	**	**	**	**	**8	**2,799,052	**7	**2,513,360

Tax status, size of U.S. gross estate	Total allowable deductions		Taxable estate		Adjusted taxable estate		Estate tax before credits	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All returns, total.....</b>	<b>76</b>	<b>11,397,808</b>	<b>137</b>	<b>41,888,358</b>	<b>137</b>	<b>41,888,357</b>	<b>137</b>	<b>13,900,303</b>
Less than \$100,000.....	8	38,388	24	1,698,270	24	1,698,270	24	380,182
\$100,000 under \$500,000.....	48	1,987,797	89	18,031,944	89	18,031,944	89	5,042,735
\$500,000 or more.....	20	9,371,623	24	22,158,144	24	22,158,143	24	8,477,386
<b>Nontaxable returns, total.....</b>	<b>11</b>	<b>5,405,987</b>	<b>13</b>	<b>753,133</b>	<b>13</b>	<b>753,133</b>	<b>13</b>	<b>162,781</b>
Less than \$100,000.....	3	15,272	5	284,027	5	284,027	5	61,166
\$100,000 under \$500,000.....	5	376,821	5	289,108	5	289,108	5	62,615
\$500,000 or more.....	3	5,013,894	3	179,998	3	179,998	3	39,000
<b>Taxable returns, total.....</b>	<b>65</b>	<b>5,991,821</b>	<b>124</b>	<b>41,135,225</b>	<b>124</b>	<b>41,135,224</b>	<b>124</b>	<b>13,737,522</b>
Less than \$100,000.....	5	23,116	19	1,414,243	19	1,414,243	19	319,016
\$100,000 under \$500,000.....	43	1,610,976	84	17,742,836	84	17,742,836	84	4,980,120
\$500,000 or more.....	17	4,357,729	21	21,978,146	21	21,978,145	21	8,438,386

Footnotes at end of table.

# Federal Estate Tax Returns Filed for Nonresident Aliens, 2001 and 2002

**Table 2.--Nonresident Alien Estate Tax Returns Filed in 2002: Gross Estate in the U.S., Outside the U.S., and Worldwide, and U.S. Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax, and Tax Credits, by Tax Status and Size of U.S. Gross Estate--Continued**

[Money amounts are in whole dollars]

Tax status, size of U.S. gross estate	Allowable unified credit		State death tax credit		Other credits		Net estate tax	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
<b>All returns, total.....</b>	<b>135</b>	<b>1,822,897</b>	<b>54</b>	<b>2,408,728</b>	<b>4</b>	<b>76,048</b>	<b>124</b>	<b>11,466,367</b>
Less than \$100,000.....	23	295,294	--	--	--	--	19	85,016
\$100,000 under \$500,000.....	88	1,215,603	41	120,673	**4	**76,048	84	3,718,017
\$500,000 or more.....	24	312,000	13	2,288,055	**	**	21	7,663,334
<b>Nontaxable returns, total.....</b>	<b>13</b>	<b>160,006</b>	<b>--</b>	<b>--</b>	<b>**</b>	<b>**</b>	<b>--</b>	<b>--</b>
Less than \$100,000.....	5	61,294	--	--	--	--	--	--
\$100,000 under \$500,000.....	5	59,712	--	--	**	**	--	--
\$500,000 or more.....	3	39,000	--	--	--	--	--	--
<b>Taxable returns, total.....</b>	<b>122</b>	<b>1,662,891</b>	<b>54</b>	<b>2,408,728</b>	<b>**</b>	<b>**</b>	<b>124</b>	<b>11,466,367</b>
Less than \$100,000.....	18	234,000	--	--	--	--	19	85,016
\$100,000 under \$500,000.....	83	1,155,891	41	120,673	**	**	84	3,718,017
\$500,000 or more.....	21	273,000	13	2,288,055	**	**	21	7,663,334

\*\* Data deleted or combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

<sup>1</sup> Gross estate is shown at the value used to determine estate tax liability. The value can be calculated at the date of death or within 6 months thereafter (i.e., alternate valuation method).

<sup>2</sup> Real estate category includes the value of all real estate, the value of personal residences, and the value of real estate partnerships.

<sup>3</sup> Stock category contains the value of corporate stock and stock in a closely held corporation. The value of mutual funds that are comprised mainly of stock is also included.

<sup>4</sup> Bonds category contains the value of Federal, State, and local government bonds, as well as foreign and corporate bonds. The value of mutual funds that are comprised of Federal, State, local government, foreign, and corporate bonds are also included.

<sup>5</sup> Mixed mutual funds category contains the value of funds that contain assets that are not identified. Therefore, this category may contain the value of stock, bonds, and other assets in mutual funds.

<sup>6</sup> Money market accounts category contains cash management accounts, ready asset accounts, and other banking or checking type accounts held as mutual funds.

<sup>7</sup> The noncorporate business category includes the value of farm assets, limited partnerships, and other noncorporate business assets.

<sup>8</sup> Other category contains depletables and intangibles, art, and assets not classified elsewhere.

NOTE: Detail may not add to totals due to rounding.