

**United States Estate Tax Return**  
**Estate of nonresident not a citizen of the United States**  
**Section 6018 of the Internal Revenue Code**

IRS use only  
Date received

*(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		Business or occupation
<b>In United States</b>	Name of executor, administrator, or person in possession of property		Name of attorney for estate	
	Address		Address	

**Declaration under 26 C.F.R. 601.502(c)(3)(ii) if return prepared by an attorney**

I declare that I am the attorney listed above representing the estate, and that I am currently qualified to practice in the State of \_\_\_\_\_

\_\_\_\_\_  
Signature of attorney if he prepared the return

\_\_\_\_\_  
Date

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

	Yes	No		Yes	No
<b>1a</b> Did the decedent die testate? . . . . .			<b>6</b> Did the decedent lose United States citizenship after March 8, 1965, and within 10 years of his death?		
<b>b</b> Were letters testamentary or of administration granted for the estate? . . . . . <i>If granted to persons other than those filing the return, state names and addresses above.</i>	▨	▨	<b>7</b> Did the decedent make any transfers within 3 years before death of a value of \$1,000 or more, or any transfers during lifetime of a value of \$5,000 or more, without an adequate and full consideration in money or money's worth, any part of which was situated in the United States either at the time of transfer or at the time of the decedent's death? . . . . . <i>If "Yes," attach Schedule G from Form 706.</i>	▨	▨
<b>2</b> Did the decedent, at the time of death, own any—			<b>8</b> 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? . . . . . <i>If "Yes," attach Schedule G from Form 706.</i>	▨	▨
<b>a</b> Real property located in the United States? . . . . .			<b>9a</b> 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? . . . . . <i>If "Yes," attach Schedule H from Form 706.</i>		
<b>b</b> Stocks of United States corporations? . . . . .			<b>b</b> Or, at any time, exercise or release the power? . . . . . <i>If "Yes," attach Schedule H from Form 706.</i>		
<b>c</b> 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>(NOTE.—</b> 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 the regulations under section 2041 of the Code.)		
<b>d</b> Other property situated in the United States? . . . . .					
<b>3</b> Was the decedent engaged in business in the United States at date of death? . . . . .					
<b>4</b> Did the decedent at date of death personally or through an agent have access to a safe deposit box in the United States? . . . . .					
<b>5</b> 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? . . . . .					

**Computation of Tax**

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

**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	(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.)				
<b>Total</b>				

**Schedule B Taxable Estate**

The value to be entered for line 2 includes real property situated outside of the United States. If adequate proof in support of lines 2 and 4 is not submitted, deduction at line 4 will not be allowed. If adequate proof in support of line 2 is not submitted, deduction at line 7 will be limited to \$30,000. See instruction 13 for the pro-

visions when the "prorated exemption" may be claimed. If the prorated exemption is claimed under the Japanese treaty, the numerator of the fraction stated at line 7 is the value of the property situated in the United States and the subject of tax by both the United States and Japan.

1 Gross estate in the United States (Schedule A total) . . . . .	
2 Gross estate outside the United States . . . . .	
3 Total gross estate wherever situated (add amounts on lines 1 and 2) . . . . .	
4 Amount of funeral expenses, administration expenses, debts of decedent, mortgages and liens, and losses during administration. (Attach itemized schedule.) . . . . .	
5 Deduction for expenses, claims, etc. (that proportion of amount on line 4 that amount on line 1 bears to amount on line 3) . . . . .	
6 Charitable deduction (Attach Schedule N from Form 706.) . . . . .	
7 Exemption (See instruction 13. If the "prorated exemption" is allowable, enter \$30,000 or $\frac{\text{amount on line 1}}{\text{amount on line 3}} \times \$60,000$ , whichever is the greater; otherwise, enter \$30,000.) . . . . .	
8 Total deductions (add amounts on lines 5, 6, and 7) . . . . .	
9 Taxable estate (subtract amount on line 8 from amount on line 1) . . . . .	

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

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

## Instructions

**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 8 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.

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.

**2. Who must file.**—The executor or administrator 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 Estate Tax Statute) situated in the United States exceeded \$30,000 at date of death.

If there is no executor or administrator appointed, qualified, and acting in the United States, every person in actual or constructive possession of any property of the decedent 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 is desired, the application may be filed on Form 4768. The return must be filed with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pennsylvania 19155.

**4. 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. If an extension is desired, the application may be filed on Form 4768. Make check or money order payable to the Internal Revenue Service and collectible in U.S. currency at par without any deduction for exchange or other charges.

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

**6. Entire gross estate wherever situated.**—The entire gross estate wherever situated 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 other than an adequate and full consideration in money or money's worth.)

(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 for 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) Insurance proceeds on the life of a nonresident not a citizen of the U.S. decedent are not situated within the U.S.

(e) For estates of decedents dying before January 1, 1977, 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. For estates of decedents dying after December 31, 1976, the three preceding amounts are deemed property within the United States. Deposits with a foreign branch of a domestic corporation or domestic partnership, if such branch is engaged in the commercial banking business, 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 the Estate Tax Regulations.

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

Country	Effective Date
Australia	January 7, 1954
Canada	January 1, 1959
Finland	December 18, 1952
France	October 17, 1949
*Greece	December 30, 1953
Ireland	December 20, 1951
Italy	October 26, 1956
Japan	April 1, 1955
Netherlands	February 3, 1971
Norway	December 11, 1951
Switzerland	September 17, 1952
Union of South Africa	July 15, 1952
United Kingdom	July 25, 1946

\*Section 6 of the instructions governs real property.

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

**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, 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, 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).

**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 gross estate situated in the United States bears to the value of the entire gross estate wherever situated: (1) funeral expenses; (2) administration expenses; (3) claims against the estate; (4) unpaid mortgages and other liens; and (5) losses incurred during the settlement of the estate arising from fires, storms, shipwrecks, or other casualties, or from theft, if such losses are not compensated 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.**—Except as provided otherwise by treaty, a charitable deduction may be claimed on Schedule B, line 6 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 N from Form 706 together with an attached sheet showing the computation of the amount of the charitable deduction.

**13. Exemption.**—A \$30,000 exemption is deductible in determining the taxable estate, and should be entered on Schedule B, line 7 unless the "prorated exemption" is claimed. An increased exemption, referred to as the "prorated exemption" is allowable (a) if a decedent was a citizen of the United States and a resident of a United States possession, as referred to in the last sentence of instruction 1, and (b) if the provisions of a death tax convention apply to the estate of a decedent who was a citizen of or domiciled in Australia, Norway or Switzerland, a resident of Finland, was domiciled in France, was a subject of or domiciled in Greece, was a national of or domiciled in Italy, or if a beneficiary was domiciled in Japan. The prorated exemption is computed on Schedule B, line 7. This increased exemption will be disallowed unless the value of the entire gross estate wherever situated is entered on Schedule B, line 3 and supported by adequate proof, as explained in Instruction 11, second paragraph.

**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	5
\$100,000	500,000	\$5,000	10
500,000	1,000,000	45,000	15
1,000,000	2,000,000	120,000	20
2,000,000	.....	320,000	25

**15. Credit for estate, inheritance, legacy, or succession taxes paid to a State, or the District of Columbia.**—The States and the District of Columbia generally impose inheritance or other death taxes. If these taxes are paid in respect of property included in Schedule A, credit may be claimed on line 2 of the "Computation of Tax." The credit cannot exceed an amount which bears the same ratio to the credit computed using Table B in the Instructions for Form 706 as the value of the property upon which State death taxes were paid and which was included in the gross estate bears to the value of the total gross estate situated in the United States. The credit is also limited to such taxes as were actually paid and credit 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 which is subsequently recovered, see section 20.2016-1 of the regulations for the notice required within 30 days.

**16. Supplemental documents.**—If the decedent died testate, a certified copy of the will must be 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 in instructions 11, 12, 13, 15, and 17. Attach an English translation to all foreign supplemental documents.

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

**18. Declarations.**—If there is more than one executor or administrator, each must verify and sign the return. If the return is prepared for the executor or administrator by another, the return must also be signed by the return preparer.