

Table of Contents

Form 706 Overview	1
Unified transfer tax	1
Fair market value	2
The ‘willing buyer and willing seller’ test.....	3
Forced (compulsory) sales.....	4
Timing	4
Tax assessments for real property	5
Subsequent events	5
Discounts and premiums.....	6
Filing Requirements	9
U.S. citizen or resident	9
Nonresident noncitizen.....	10
Summary	11
Due date	12
Extensions	12
Statute of limitations.....	16
Form 706	23
Gross estate.....	24
Property in which decedent had an interest.....	24
Dower and curtesy interests.....	25
Community property	25
Income in respect of a decedent	30
Parts 1 through 6	31
Part 1 — Decedent and Executor.....	31
Part 2 — Tax Computation.....	31
Part 3 — Elections by the Executor	37
Part 4 — General Information.....	38
Part 5 — Recapitulation	38

Part 6 — Portability of DSUE.....	39
Form 706 — Schedules A-U.....	47
Schedule A — Real Estate.....	47
Schedule A-1 — Section 2032A Valuation	50
Schedule B — Stocks and Bonds	51
Dividends.....	52
Other investments.....	54
Schedule C — Mortgages, Notes, and Cash	54
Schedule D — Insurance on the Decedent’s Life	56
Policies held by others	57
Schedule E — Jointly Owned Property	58
Schedule F — Other Miscellaneous Property.....	61
Schedule G — Transfers During Decedent’s Life.....	65
Transfers with retained life estate.....	66
Transfers taking effect at death.....	67
Transfers for insufficient consideration	70
Schedule H — Powers of Appointment.....	70
Schedule I — Annuities.....	72
Schedule J — Funeral Expenses and Administration Expenses	75
Funeral expenses	75
Administration expenses for property subject to claims	75
Schedule K — Debts of the Decedent, and Mortgages and Liens.....	78
Medical expenses and other debt	79
Schedule L — Net Losses During Administration and Administration Expenses	82
Casualty losses	82
Administration expenses for property not subject to claims	82
Schedule M — Bequests, etc., to Surviving Spouse.....	83
Marital bequests encumbered by debt	85
Schedule O — Charitable, Public, and Similar Gifts and Bequests	86

Schedule P – Credit for Foreign Death Taxes	88
Schedule PC – Protective Claim for Refund	88
Schedule Q – Credit for Tax on Prior Transfers.....	89
Generation-skipping transfer tax.....	90
Direct skips	91
Transfers to non-skip persons	92
Allocating the GST exemption	94
Schedule U – Qualified Conservation Easement Exclusion.....	100
Practical Considerations	111
Tax apportionment.....	111
Non-probate assets	112
State death tax deduction	112
Request of discharge.....	113
Refund of overpayment	113
Comprehensive Example	114
Completed comprehensive example	117
Appendix	132
Reg. §20.6161-1	132
Chart comparing Forms 706, 1041 and 1040.....	134
Index.....	135