

# YOU CAN'T TAKE IT WITH YOU

The Essentials of Estate and Gift Tax

SNELL  
& WILMER

 BeachFleischman.  
*collaborate forward*

# THE ESSENTIALS OF ESTATE & GIFT TAX

# HISTORICAL ESTATE AND GIFT EXEMPTION AND EXCLUSION

Year	Lifetime Exemption	Estate Tax Initial Rate	Estate Tax Maximum Rate	Gift Tax Annual Exclusion
2020	\$11,580,000	40%	40%	\$15,000
2021	\$11,700,000	40%	40%	\$15,000
2022	\$12,060,000	40%	40%	\$16,000
2023	\$12,920,000	40%	40%	\$17,000
2024	\$13,610,000	40%	40%	\$18,000

# ESTATE & GIFT TAXES

- The linked Estate & Gift Tax Regime
- Unified Credit
- Generation Skipping Tax (GST) – last month’s session
- Record Retention – indefinite
- IRS Audits/Issues
  - 2010(c)(5)(B) – IRS has authority to review return of predeceased spouse for purposes of determining proper DSUE to be used on second spouse’s death, regardless of statute of limitations
  - IRC 6501 – 3-year statute of limitations. If IRS determines there is a 25% understatement, the statute is extended to 6 years. If a gift or estate tax return is never filed, the statute is indefinite.

# GIFT TAXES – FORM 709

# FORM 709 – FILING BASICS

- Due April 15 and is eligible for a 6-month extension
  - If Form 1040 is extended, Form 709 is automatically extended
  - If Form 1040 is not extended, or if tax is due with Form 709, an extension is filed using Form 8892
- Not eligible for e-filing and must be paper filed with IRS
- Not a joint return; each spouse must file their own Form 709
- May be amended by entering “Supplemental Information” across the top of page 1, including a statement of what has changed, and including a copy of original Form 709

# WHO'S INVOLVED?

## Transferor/Donor

- The individual(s) making the gift
- Gift reported on Form 709 at its current FMV
- If gift exceeds lifetime exemption, gift tax will be due
- Gift tax is a marginal rate, from 18% to 40%
- Generation Skipping Tax is a flat 40% tax

## Transferee/Donee

- The gift recipient
- No tax due when gift is received
- Carryover Basis for the property received via gift (IRC 1015)

# FEDERAL GIFT TAX RATES

**Table for Computing Gift Tax**

<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>
<b>Taxable amount over—</b>	<b>Taxable amount not over—</b>	<b>Tax on amount in column A</b>	<b>Rate of tax on excess over amount in column A</b>
-----	\$10,000	-----	18%
\$10,000	20,000	\$1,800	20%
20,000	40,000	3,800	22%
40,000	60,000	8,200	24%
60,000	80,000	13,000	26%
80,000	100,000	18,200	28%
100,000	150,000	23,800	30%
150,000	250,000	38,800	32%
250,000	500,000	70,800	34%
500,000	750,000	155,800	37%
750,000	1,000,000	248,300	39%
1,000,000	-----	345,800	40%



# WHAT IS OR ISN'T A REPORTABLE GIFT?

## Not a Reportable Gift

- Payments for education expenses directly to an educational institution
- Payments of medical expenses directly to the provider
- Transfers to your US Citizen spouse
- Gifts under the annual exclusion (\$18,000 for 2024; \$17,000 for 2023)

## Is a Reportable Gift

- Cash gifts exceeding the annual exclusion amount
- Gifts of property for no consideration
- Funding 529 Plans
- Transferring assets to a new trust
- Bargain sales (real estate, business interests, other property)

# ADEQUATE DISCLOSURE

## Requirements for a gift to be adequately disclosed (Reg 301.6501(c)-1(e) and 1(f))

- Identify of and relationship between transferor and transferee
- Description of gifted property
- If transferee is a trust, the trust's EIN and a description of its terms (or a copy of the trust agreement)
- Description of the method used to determine FMV, including any discounts taken. Appraisals may be used
  - Gift of business interest – appraisal with any available discounts
  - Gift of real estate – residential appraisal report, valuation report
  - Gift of marketable securities – average hi/low on the date of the gift

# ADEQUATE DISCLOSURE - EXAMPLE

## Adequately Disclosed

John Doe

Son

Residence located at 123 Broadway Tucson, AZ 85711

Pima County Parcel 123-45-6789

Value of \$250,000 determined by residential appraisal report, attached as Exhibit A.

## Not Adequately Disclosed

John Doe

House

\$250,000

# CHARITABLE DONATIONS

- It is best practice to disclose charitable donations made during the year on Form 709.
- There is a charitable deduction available on Form 709, charitable donations do not use a taxpayer's lifetime exemption.

# FORM 709 – PAGE 1, PART 1

## Line 12: Gift Splitting

- Arizona is a community property state –gifts are deemed to be made by each spouse 50/50, no election is needed for community property.
- Arizona transferors may elect gift splitting for their separate property

## Line 19: DSUE

- If Form 706 was filed for a deceased spouse, you will disclose your DSUE later on Form 709

Form <b>709</b>		United States Gift (and Generation-Skipping Transfer) Tax Return		OMB No. 1545-0020	
Department of the Treasury Internal Revenue Service		Go to <a href="http://www.irs.gov/Form709">www.irs.gov/Form709</a> for instructions and the latest information. (For gifts made during calendar year 2023)		<b>2023</b>	
1 Donor's first name and middle initial		2 Donor's last name		3 Donor's social security number	
4 Address (number, street, and apartment number)				5 Legal residence (domicile)	
6 City or town, state or province, country, and ZIP or foreign postal code				7 Citizenship (see instructions)	
8 If the donor died during the year, check here <input type="checkbox"/> and enter date of death _____				Yes	No
9 If you extended the time to file this Form 709, check here <input type="checkbox"/>					
10 Enter the total number of donees listed on Schedule A. Count each person only once					
11a Have you (the donor) previously filed a Form 709 (or 709-A) for any other year? If "No," skip line 11b					
b Has your address changed since you last filed Form 709 (or 709-A)?					
12 <b>Gifts by husband or wife to third parties.</b> Do you consent to have the gifts (including generation-skipping transfers) made by you and by your spouse to third parties during the calendar year considered as made one-half by each of you? See instructions. (If the answer is "Yes," the following information must be furnished and your spouse must sign the consent shown below. <b>If the answer is "No," skip lines 13–18.</b> )					
13 Name of consenting spouse		14 SSN			
15 Were you married to one another during the entire calendar year? See instructions					
16 If line 15 is "No," check whether <input type="checkbox"/> married <input type="checkbox"/> divorced or <input type="checkbox"/> widowed/deceased, and give date. See instructions					
17 Will a gift tax return for this year be filed by your spouse? If "Yes," mail both returns in the same envelope					
18 <b>Consent of Spouse.</b> I consent to have the gifts (and generation-skipping transfers) made by me and by my spouse to third parties during the calendar year considered as made one-half by each of us. We are both aware of the joint and several liability for tax created by the execution of this consent.					
Consenting spouse's signature		Date			
19 Have you applied a DSUE amount received from a predeceased spouse to a gift or gifts reported on this or a previous Form 709? If "Yes," complete Schedule C					
20 Does any gift or other transfer reported on this Form 709 include a digital asset (or a financial interest in a digital asset)? See instructions					

# FORM 709 – PAGE 1, PART 2

**Part 2 Line 3:** is value of all current and prior gifts made by taxpayer during their lifetime

**Part 2 Line 7:** is applicable credit amount – the tax credit available for the 2023 lifetime exemption of \$12.92M (\$13.61M in 2024)

<b>Part 2—Tax Computation</b>	<b>1</b>	Enter the amount from Schedule A, Part 4, line 11 . . . . .	<b>1</b>	
	<b>2</b>	Enter the amount from Schedule B, line 3 . . . . .	<b>2</b>	
	<b>3</b>	Total taxable gifts. Add lines 1 and 2 . . . . .	<b>3</b>	
	<b>4</b>	Tax computed on amount on line 3 (see <i>Table for Computing Gift Tax</i> in instructions) . . . . .	<b>4</b>	
	<b>5</b>	Tax computed on amount on line 2 (see <i>Table for Computing Gift Tax</i> in instructions) . . . . .	<b>5</b>	
	<b>6</b>	Balance. Subtract line 5 from line 4 . . . . .	<b>6</b>	
	<b>7</b>	Applicable credit amount. If donor has DSUE amount from predeceased spouse(s) or Restored Exclusion Amount, enter amount from Schedule C, line 5; otherwise, see instructions . . . . .	<b>7</b>	
	<b>8</b>	Enter the applicable credit against tax allowable for all prior periods (from Sch. B, line 1, col. C) . . . . .	<b>8</b>	
	<b>9</b>	Balance. Subtract line 8 from line 7. Do not enter less than zero . . . . .	<b>9</b>	
	<b>10</b>	Enter 20% (0.20) of the amount allowed as a specific exemption for gifts made after September 8, 1976, and before January 1, 1977. See instructions . . . . .	<b>10</b>	
	<b>11</b>	Balance. Subtract line 10 from line 9. Do not enter less than zero . . . . .	<b>11</b>	
	<b>12</b>	Applicable credit. Enter the smaller of line 6 or line 11 . . . . .	<b>12</b>	
	<b>13</b>	Credit for foreign gift taxes (see instructions) . . . . .	<b>13</b>	
	<b>14</b>	Total credits. Add lines 12 and 13 . . . . .	<b>14</b>	
	<b>15</b>	Balance. Subtract line 14 from line 6. Do not enter less than zero . . . . .	<b>15</b>	
	<b>16</b>	Generation-skipping transfer taxes (from Schedule D, Part 3, col. G, total) . . . . .	<b>16</b>	
	<b>17</b>	Total tax. Add lines 15 and 16 . . . . .	<b>17</b>	
	<b>18</b>	Gift and generation-skipping transfer taxes prepaid with extension of time to file . . . . .	<b>18</b>	
	<b>19</b>	If line 18 is less than line 17, enter <b>balance due</b> . See instructions . . . . .	<b>19</b>	
	<b>20</b>	If line 18 is greater than line 17, enter <b>amount to be refunded</b> . . . . .	<b>20</b>	
<b>Attach check or money order here.</b>	<b>Sign Here</b>		Under penalties of perjury, I declare that I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than donor) is based on all information of which preparer has any knowledge.	
	Signature of donor _____		Date _____	
	<b>Paid Preparer Use Only</b>	Print/Type preparer's name _____	Preparer's signature _____	Date _____
		Firm's name _____	Firm's EIN _____	Check <input type="checkbox"/> if self-employed PTIN _____
	Firm's address _____		Phone no. _____	
<p>For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see the instructions for this form. Cat. No. 16783M Form <b>709</b> (2023)</p>				

May the IRS discuss this return with the preparer shown below?  
See instructions.  Yes  No



# WHAT TYPE OF GIFT IS IT???

Cash gift to a 529 plan for your grandchild

Payment of education expenses directly to the institution for your neighbor's child.

Gift of a vehicle to your friend's daughter

Gift of securities to a trust for the benefit of your grandchild. Your grandchild is the only beneficiary of the trust.

Gift of real estate to a trust for the benefit of your child and their future children.



# FORM 709 – PAGE 3, PART 4

- Lines 1-11 are a reconciliation of total gifts reflected on page 2.
- Annual exclusions are calculated and applied on this schedule, line 2
- Marital deduction and Charitable deduction are claimed on this schedule, line 6 and 7 respectively.
- QTIP Marital Deduction – beyond the scope of this class 😊

Form 709 (2023) Page **3**

**Part 4—Taxable Gift Reconciliation**

<b>1</b>	Total value of gifts of donor. Add totals from column H of Parts 1, 2, and 3 . . . . .	<b>1</b>	
<b>2</b>	Total annual exclusions for gifts listed on line 1 (see instructions) . . . . .	<b>2</b>	
<b>3</b>	Total included amount of gifts. Subtract line 2 from line 1 . . . . .	<b>3</b>	
<b>Deductions</b> (see instructions)			
<b>4</b>	Gifts of interests to spouse for which a marital deduction will be claimed, based on item numbers _____ of Schedule A . . . . .	<b>4</b>	
<b>5</b>	Exclusions attributable to gifts on line 4 . . . . .	<b>5</b>	
<b>6</b>	Marital deduction. Subtract line 5 from line 4 . . . . .	<b>6</b>	
<b>7</b>	Charitable deduction, based on item numbers _____ less exclusions . . . . .	<b>7</b>	
<b>8</b>	Total deductions. Add lines 6 and 7 . . . . .	<b>8</b>	
<b>9</b>	Subtract line 8 from line 3 . . . . .	<b>9</b>	
<b>10</b>	Generation-skipping transfer taxes payable with this Form 709 (from Schedule D, Part 3, col. G, total) . . . . .	<b>10</b>	
<b>11</b>	<b>Taxable gifts.</b> Add lines 9 and 10. Enter here and on page 1, Part 2—Tax Computation, line 1 . . . . .	<b>11</b>	

**Terminable Interest (QTIP) Marital Deduction.** (See instructions for Schedule A, Part 4, line 4.)

If a trust (or other property) meets the requirements of qualified terminable interest property under section 2523(f), and:

- The trust (or other property) is listed on Schedule A; and
- The value of the trust (or other property) is entered in whole or in part as a deduction on Schedule A, Part 4, line 4, then the donor shall be deemed to have made an election to have such trust (or other property) treated as qualified terminable interest property under section 2523(f).

If less than the entire value of the trust (or other property) that the donor has included in Parts 1 and 3 of Schedule A is entered as a deduction on line 4, the donor shall be considered to have made an election only as to a fraction of the trust (or other property). The numerator of this fraction is equal to the amount of the trust (or other property) deducted on Schedule A, Part 4, line 6. The denominator is equal to the total value of the trust (or other property) listed in Parts 1 and 3 of Schedule A.

If you make the QTIP election, the terminable interest property involved will be included in your spouse's gross estate upon his or her death (section 2044). See instructions for line 4 of Schedule A. If your spouse disposes (by gift or otherwise) of all or part of the qualifying life income interest, he or she will be considered to have made a transfer of the entire property that is subject to the gift tax. See *Transfer of Certain Life Estates Received From Spouse* in the instructions.

**12 Election Out of QTIP Treatment of Annuities**

Check here if you elect under section 2523(f)(6) **not** to treat as qualified terminable interest property any joint and survivor annuities that are reported on Schedule A and would otherwise be treated as qualified terminable interest property under section 2523(f). See instructions. Enter the item numbers from Schedule A for the annuities for which you are making this election

# THOUGHTS ON ANNUAL EXCLUSIONS

- Easy until it comes to trusts
- Gifts to Trusts
  - Must be a gift of a present interest to qualify for an annual exclusion.
  - Trusts with a withdrawal power (“Crummey Power”) qualify as a present interest gift. If no withdrawal power, the gift is NOT of a present interest.
  - Look through the trust to the current beneficiaries to identify donees.
- GST Annual Exclusion
  - Applies to Direct Skip gifts only.
  - No GST Annual Exclusion is available for Indirect Skip Trust gifts, even if there is a withdrawal power in the document.

# 709 PAGE 3 – SCHEDULE B

Recording of gifts from prior periods. All prior filed gift tax returns are included in this schedule. The totals here carry to page 1.

**SCHEDULE B Gifts From Prior Periods**

If you answered "Yes" on line 11a of page 1, Part 1, see the instructions for completing Schedule B. If you answered "No," skip to the Tax Computation on page 1 (or Schedule C or D, if applicable). Complete Schedule A before beginning Schedule B. See instructions for recalculation of the column C amounts. Attach calculations.

A Calendar year or calendar quarter (see instructions)	B Internal Revenue office where prior return was filed	C Amount of applicable credit (unified credit) against gift tax for periods after December 31, 1976	D Amount of specific exemption for prior periods ending before January 1, 1977	E Amount of taxable gifts
<b>1</b> Totals for prior periods . . . . .		<b>1</b>		
<b>2</b> Amount, if any, by which total specific exemption, line 1, column D, is more than \$30,000 . . . . .			<b>2</b>	
<b>3</b> Total amount of taxable gifts for prior periods. Add amount on line 1, column E, and amount, if any, on line 2. Enter here and on page 1, Part 2—Tax Computation, line 2 . . . . .			<b>3</b>	

*(If more space is needed, attach additional statements.)*

Form **709** (2023)

# FORM 709 – PAGE 4, SCHEDULE C & D

## Schedule C

- DSUE from last deceased spouse and predeceased spouse
- Once you have DSUE from a deceased spouse, gifts are deemed to be made first from DSUE, then from your remaining lifetime exemption

## Schedule D

Computation of GST (only used if you have gifts in the Direct Skip section)

Form 709 (2023) Page **4**

**SCHEDULE C Deceased Spousal Unused Exclusion (DSUE) Amount and Restored Exclusion**

Provide the following information to determine the DSUE amount and applicable credit received from prior spouses. Complete Schedule A before beginning Schedule C.

A Name of deceased spouse (dates of death after December 31, 2010, only)	B Date of death	C Portability election made?		D If "Yes," DSUE amount received from spouse	E DSUE amount applied by donor to lifetime gifts (list current and prior gifts)	F Date of gift(s) (enter as mm/dd/yy for Part 1 and as yyyy for Part 2)
		Yes	No			
<b>Part 1—DSUE RECEIVED FROM LAST DECEASED SPOUSE</b>						
<b>Part 2—DSUE RECEIVED FROM PREDECEASED SPOUSE(S)</b>						
<b>TOTAL</b> (for all DSUE amounts applied from column E for Part 1 and Part 2)						
1 Donor's basic exclusion amount (see instructions)						1
2 Total from column E, Parts 1 and 2						2
3 Restored Exclusion Amount (see instructions)						3
4 Add lines 1, 2, and 3						4
5 Applicable credit on amount in line 4 (see Table for Computing Gift Tax in the instructions). Enter here and on line 7, Part 2—Tax Computation						5

**SCHEDULE D Computation of Generation-Skipping Transfer Tax**

**Note:** Inter vivos direct skips that are completely excluded by the GST exemption must still be fully reported (including value and exemptions claimed) on Schedule D.

**Part 1—Generation-Skipping Transfers.** List items from Schedule A first, then items to be reported on Schedule D, including any transfers subject to an Estate Tax Inclusion Period (ETIP).

A Item number (from Schedule A, Part 2, col. A, then ETIP transfers, if any)	B Description (only for ETIP transfers)	C Value (from Schedule A, Part 2, col. H, or close of ETIP described in col. B)	D Nontaxable portion of transfer	E Net transfer (subtract col. D from col. C)
1				
Gifts made by spouse (for gift splitting only)				

*(If more space is needed, attach additional statements.)* Form **709** (2023)



SNELL  
& WILMER

 BeachFleischman

# ESTATE TAXES - FORM 706

# FOOD FOR THOUGHT

## Upcoming estate tax “cliff”

If no changes are made by Congress in 2024/2025, effective January 1, 2014, the federal estate tax threshold will be adjusted back to \$5.49 million (indexed for inflation)

- ~\$7 million

# FORM 706 – FILING BASICS

## What Estates Must File?

- Decedent's individual gross estate  $\geq$  Lifetime Exemption for Year of Death
  - 2024 = \$13,610,000
- Estates wishing to transfer deceased spouse's unused exclusion amount (DSUE or DSUEA)
- Gross Estate = Adjusted lifetime taxable gifts plus any specific exemptions



# FORM 706 – FILING BASICS CONT.

## When to File?

- Standard Filing deadline is 9 months from Decedent's Date of Death
  - Unless deadline falls on weekend/holiday, deadline adjusted to next business day
    - Example: Date of Death is October 4, 2023; 9-month deadline would be July 5, 2024
- Extended Filing deadline is 15 months
  - While referred to as an “automatic” extension, must file Form 4768 by 9-month deadline (AND PAY TAX!)
- Portability Deadline – On or before 5<sup>th</sup> Anniversary of Date of Death
  - Rev. Proc. 2022-32

# FORM 706 – FILING BASICS CONT..

## Who Files on behalf of the Decedent's Estate?

- Executor of Estate
  - Definition provided by IRC § 2203
    - Appointed Executor/Administrator of Decedent's Estate OR
    - If there is no appointed executor/administrator, "any person in actual or constructive possession of any property of the decedent."
  - Practically, the most relevant representative of the Decedent's Estate will file – Personal Representative or Trustee of the Decedent's Trust
    - Pay attention to provisions in Decedent's Will or Trust which specify who can file the estate tax return

# FORM 706 – FILING BASICS CONT..

## Where to File?

- Currently there are 4 different addresses for filing listed on Form 706 Instructions
  - Traditional filing via USPS vs. private delivery service (PDS)
  - Original filing vs. amended filing
- Check online for updated filing addresses on [IRS website](#)

# FORM 706 – PREPARATION NOTES

## Information on Decedent's Assets

- Who to ask for this information?
  - Executor, Decedent's Trusted Professionals, etc.
- What will be the valuation date?
  - Date of Death or Six-Month Alternate Valuation (authorized by IRC § 2032)
- How to establish asset values?
  - Qualified appraisals, Forms 712, financial statements, etc.

# FORM 706 – PAGE 1

- Part 1, Lines 1a-11 – General Information
- Part 2, Lines 1-20 – Tax Computation
- Signature Page for both Executor and Paid Preparer

Form <b>706</b> (Rev. August 2019) Department of the Treasury Internal Revenue Service		United States Estate (and Generation-Skipping Transfer) Tax Return			OMB No. 1545-0015	
		▶ Estate of a citizen or resident of the United States (see instructions). To be filed for decedents dying after December 31, 2018. ▶ Go to <a href="http://www.irs.gov/Form706">www.irs.gov/Form706</a> for instructions and the latest information.				
Part 1 – Decedent and Executor	1a	Decedent's first name and middle initial (and maiden name, if any)		1b	Decedent's last name	
	2	Decedent's social security no.				
	3a	City, town, or post office; county; state or province; country; and ZIP or foreign postal code		3b	Year domicile established	
				4	Date of birth	
				5	Date of death	
	6a	Name of executor (see instructions)				
	6b	Executor's address (number and street including apartment or suite no.; city, town, or post office; state or province; country; and ZIP or foreign postal code) and phone no.				
6c	Executor's social security number (see instructions)					
				Phone no.		
6d	If there are multiple executors, check here <input type="checkbox"/> and attach a list showing the names, addresses, telephone numbers, and SSNs of the additional executors.					
7a	Name and location of court where will was probated or estate administered				7b	Case number
8	If decedent died testate, check here <input type="checkbox"/> and attach a certified copy of the will. <input type="checkbox"/> If you extended the time to file this Form 706, check here <input type="checkbox"/>					
10	If Schedule R-1 is attached, check here <input type="checkbox"/> . <input type="checkbox"/> If you are estimating the value of assets included in the gross estate on line 1 pursuant to the special rule of Reg. section 20.2010-2(a)(7)(ii), check here <input type="checkbox"/>					
Part 2 – Tax Computation	1	Total gross estate less exclusion (from Part 5—Recapitulation, item 13)			1	
	2	Tentative total allowable deductions (from Part 5—Recapitulation, item 24)			2	
	3a	Tentative taxable estate (subtract line 2 from line 1)			3a	
	b	State death tax deduction			3b	
	c	Taxable estate (subtract line 3b from line 3a)			3c	
	4	Adjusted taxable gifts (see instructions)			4	
	5	Add lines 3c and 4			5	
	6	Tentative tax on the amount on line 5 from Table A in the instructions			6	
	7	Total gift tax paid or payable (see instructions)			7	
	8	Gross estate tax (subtract line 7 from line 6)			8	
	9a	Basic exclusion amount			9a	
	b	Deceased spousal unused exclusion (DSUE) amount from predeceased spouse(s), if any (from Section D, Part 6—Portability of Deceased Spousal Unused Exclusion)			9b	
	c	Restored exclusion amount (see instructions)			9c	
	d	Applicable exclusion amount (add lines 9a, 9b, and 9c)			9d	
	e	Applicable credit amount (tentative tax on the amount in line 9d from Table A in the instructions)			9e	
	10	Adjustment to applicable credit amount (May not exceed \$6,000. See instructions.)			10	
	11	Allowable applicable credit amount (subtract line 10 from line 9e)			11	
	12	Subtract line 11 from line 8 (but do not enter less than zero)			12	
	13	Credit for foreign death taxes (from Schedule P). (Attach Form(s) 706-CE.)			13	
	14	Credit for tax on prior transfers (from Schedule Q)			14	
15	Total credits (add lines 13 and 14)			15		
16	Net estate tax (subtract line 15 from line 12)			16		
17	Generation-skipping transfer (GST) taxes payable (from Schedule R, Part 2, line 10)			17		
18	Total transfer taxes (add lines 16 and 17)			18		
19	Prior payments (explain in an attached statement)			19		
20	Balance due (or overpayment) (subtract line 19 from line 18)			20		
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than the executor) is based on all information of which preparer has any knowledge.						
Sign Here	Signature of executor			Date		
	Signature of executor			Date		
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date	
	Firm's name		Firm's EIN		Check <input type="checkbox"/> if self-employed	
	Firm's address		Phone no.		PTIN	



# FORM 706 – PAGE 3, PART 4

Form 706 (Rev. 8-2019)

Estate of: [REDACTED]

Decedent's social security number

**Part 4 – General Information** (continued)

If you answer "Yes" to any of the following questions, you must attach additional information as described.		Yes	No
10	Did the decedent at the time of death own any property as a joint tenant with right of survivorship in which (a) one or more of the other joint tenants was someone other than the decedent's spouse, and (b) less than the full value of the property is included on the return as part of the gross estate? If "Yes," you must complete and attach Schedule E . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
11a	Did the decedent, at the time of death, own any interest in a partnership (for example, a family limited partnership), an unincorporated business, or a limited liability company; or own any stock in an inactive or closely held corporation? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
b	If "Yes," was the value of any interest owned (from above) discounted on this estate tax return? If "Yes," see the instructions on reporting the total accumulated or effective discounts taken on Schedule F or G . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
12	Did the decedent make any transfer described in sections 2035, 2036, 2037, or 2038? See instructions. If "Yes," you must complete and attach Schedule G . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
13a	Were there in existence at the time of the decedent's death any trusts created by the decedent during his or her lifetime? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
b	Were there in existence at the time of the decedent's death any trusts not created by the decedent under which the decedent possessed any power, beneficial interest, or trusteeship? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
c	Was the decedent receiving income from a trust created after October 22, 1986, by a parent or grandparent? . . . . . If "Yes," was there a GST taxable termination (under section 2612) on the death of the decedent? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
d	If there was a GST taxable termination (under section 2612), attach a statement to explain. Provide a copy of the trust or will creating the trust, and give the name, address, and phone number of the current trustee(s).	<input type="checkbox"/>	<input type="checkbox"/>
e	Did the decedent at any time during his or her lifetime transfer or sell an interest in a partnership, limited liability company, or closely held corporation to a trust described in line 13a or 13b? . . . . . If "Yes," provide the EIN for this transferred/sold item. ▶ [REDACTED]	<input type="checkbox"/>	<input type="checkbox"/>
14	Did the decedent ever possess, exercise, or release any general power of appointment? If "Yes," you must complete and attach Schedule H . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
15	Did the decedent have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
16	Was the decedent, immediately before death, receiving an annuity described in the "General" paragraph of the instructions for Schedule I or a private annuity? If "Yes," you must complete and attach Schedule I . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
17	Was the decedent ever the beneficiary of a trust for which a deduction was claimed by the estate of a predeceased spouse under section 2056(b)(7) and which is not reported on this return? If "Yes," attach an explanation . . . . .	<input type="checkbox"/>	<input type="checkbox"/>

# FORM 706 – PAGE 3, PART 5

**Part 5—Recapitulation.** Note: If estimating the value of one or more assets pursuant to the special rule of Reg. section 20.2010-2(a)(7)(ii), enter on both lines 10 and 23 the amount noted in the instructions for the corresponding range of values. See instructions for details.

Item no.	Gross estate		Alternate value	Value at date of death
1	Schedule A—Real Estate . . . . .	1		
2	Schedule B—Stocks and Bonds . . . . .	2		
3	Schedule C—Mortgages, Notes, and Cash . . . . .	3		
4	Schedule D—Insurance on the Decedent’s Life (attach Form(s) 712) . . . . .	4		
5	Schedule E—Jointly Owned Property (attach Form(s) 712 for life insurance) . . . . .	5		
6	Schedule F—Other Miscellaneous Property (attach Form(s) 712 for life insurance) . . . . .	6		
7	Schedule G—Transfers During Decedent’s Life (att. Form(s) 712 for life insurance) . . . . .	7		
8	Schedule H—Powers of Appointment . . . . .	8		
9	Schedule I—Annuities . . . . .	9		
10	Estimated value of assets subject to the special rule of Reg. section 20.2010-2(a)(7)(ii) . . . . .	10		
11	Total gross estate (add items 1 through 10) . . . . .	11		
12	Schedule U—Qualified Conservation Easement Exclusion . . . . .	12		
13	Total gross estate less exclusion (subtract item 12 from item 11). Enter here and on line 1 of Part 2—Tax Computation . . . . .	13		
Item no.	Deductions		Amount	
14	Schedule J—Funeral Expenses and Expenses Incurred in Administering Property Subject to Claims . . . . .	14		
15	Schedule K—Debts of the Decedent . . . . .	15		
16	Schedule K—Mortgages and Liens . . . . .	16		
17	Total of items 14 through 16 . . . . .	17		
18	Allowable amount of deductions from item 17 (see the instructions for item 18 of the Recapitulation) . . . . .	18		
19	Schedule L—Net Losses During Administration . . . . .	19		
20	Schedule L—Expenses Incurred in Administering Property Not Subject to Claims . . . . .	20		
21	Schedule M—Bequests, etc., to Surviving Spouse . . . . .	21		
22	Schedule O—Charitable, Public, and Similar Gifts and Bequests . . . . .	22		
23	Estimated value of deductible assets subject to the special rule of Reg. section 20.2010-2(a)(7)(ii) . . . . .	23		
24	Tentative total allowable deductions (add items 18 through 23). Enter here and on line 2 of the Tax Computation . . . . .	24		





“  
**GROSS ESTATE  
SCHEDULES A THROUGH I (AND U)**

- **Schedule A – Real Estate**

**SCHEDULE A—Real Estate**

- For jointly owned property that must be disclosed on Schedule E, see instructions.
- Real estate that is part of a sole proprietorship should be shown on Schedule F.
- Real estate that is included in the gross estate under sections 2035, 2036, 2037, or 2038 should be shown on Schedule G.
- Real estate that is included in the gross estate under section 2041 should be shown on Schedule H.
- If you elect section 2032A valuation, you must complete Schedule A and Schedule A-1.

- **Schedule B – Stocks and Bonds**

**SCHEDULE B—Stocks and Bonds**

(For jointly owned property that must be disclosed on Schedule E, see instructions.)

- **Schedule C – Mortgages, Notes, and Cash**

**SCHEDULE C—Mortgages, Notes, and Cash**

(For jointly owned property that must be disclosed on Schedule E, see instructions.)

- **Schedule D - Insurance on Decedent’s Life**

**SCHEDULE D—Insurance on the Decedent’s Life**

You must list all policies on the life of the decedent and attach a Form 712 for each policy.

# FORM 706 – SCHEDULE E JOINTLY OWNED PROPERTY

Estate of: _____				Decedent's social security number _____-_____-_____-_____-_____-_____-	
<b>SCHEDULE E—Jointly Owned Property</b>					
(If you elect section 2032A valuation, you must complete Schedule E and Schedule A-1.)					
<b>PART 1. Qualified Joint Interests—Interests Held by the Decedent and His or Her Spouse as the Only Joint Tenants (Section 2040(b)(2))</b>					
<p><b>Note:</b> If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last three columns.</p>					
Item number	Description. For securities, give CUSIP number. If trust, partnership, or closely held entity, give EIN.	CUSIP number or EIN, where applicable	Alternate valuation date	Alternate value	Value at date of death
1					
Total from continuation schedules (or additional statements) attached to this schedule . . . . .					
<b>1a</b> Totals . . . . .				<b>1a</b>	
<b>b</b> Amounts included in gross estate (one-half of line 1a) . . . . .				<b>1b</b>	
<b>PART 2. All Other Joint Interests</b>					
2a State the name and address of each surviving co-tenant. If there are more than three surviving co-tenants, list the additional co-tenants on an attached statement.					
Name			Address (number and street, city, state, and ZIP code)		
A. _____			_____		
B. _____			_____		
C. _____			_____		
Item number	Enter letter for co-tenant	Description (including alternate valuation date, if any). For securities, give CUSIP number. If trust, partnership, or closely held entity, give EIN	Percentage includible	Includible alternate value	Includible value at date of death
1					
Total from continuation schedules (or additional statements) attached to this schedule . . . . .					
<b>b</b> Total other joint interests . . . . .				<b>2b</b>	
<b>3</b> Total includible joint interests (add lines 1b and 2b). Also enter on Part 5—Recapitulation, page 3, at item 5 . . . . .				<b>3</b>	

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

**SCHEDULE F—Other Miscellaneous Property Not Reportable Under Any Other Schedule**

(For jointly owned property that must be disclosed on Schedule E, see instructions.)  
 (If you elect section 2032A valuation, you must complete Schedule F and Schedule A-1.)

**Note:** If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last three columns.

<b>1</b>	Did the decedent own any works of art, items, or any collections whose artistic or collectible value at date of death exceeded \$3,000? If "Yes," submit full details on this schedule and attach appraisals.	Yes	No
<b>2</b>	Has the decedent's estate, spouse, or any other person received (or will receive) any bonus or award as a result of the decedent's employment or death? If "Yes," submit full details on this schedule.		
<b>3</b>	Did the decedent at the time of death have, or have access to, a safe deposit box? If "Yes," state location, and if held jointly by decedent and another, state name and relationship of joint depositor.  If any of the contents of the safe deposit box are omitted from the schedules in this return, explain fully why omitted.		

Item number	Description. For securities, give CUSIP number. If trust, partnership, or closely held entity, give EIN	Alternate valuation date	Alternate value	Value at date of death
1				
Total from continuation schedules (or additional statements) attached to this schedule .				
<b>TOTAL</b> (Also enter on Part 5—Recapitulation, page 3, at item 6.) . . . . .				

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

# FORM 706 – SCHEDULE F MISC. PROPERTY

# FORM 706 – SCHEDULES G AND H

## SCHEDULE G—Transfers During Decedent's Life

(If you elect section 2032A valuation, you must complete Schedule G and Schedule A-1.)

**Note:** If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last three columns.

Item number	Description. For securities, give CUSIP number. If trust, partnership, or closely held entity, give EIN	Alternate valuation date	Alternate value	Value at date of death
<b>A.</b>	Gift tax paid or payable by the decedent or the estate for all gifts made by the decedent or his or her spouse within 3 years before the decedent's death (section 2035(b)) . . . . .	X X X X X		
<b>B.</b>	Transfers includible under sections 2035(a), 2036, 2037, or 2038:			
<b>1</b>				
Total from continuation schedules (or additional statements) attached to this schedule .				
<b>TOTAL</b> (Also enter on Part 5—Recapitulation, page 3, at item 7.) . . . . .				

## SCHEDULE H—Powers of Appointment

(Include "5 and 5 lapsing" powers (section 2041(b)(2)) held by the decedent.)  
(If you elect section 2032A valuation, you must complete Schedule H and Schedule A-1.)

**Note:** If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last three columns.

Item number	Description	Alternate valuation date	Alternate value	Value at date of death
<b>1</b>				
Total from continuation schedules (or additional statements) attached to this schedule .				
<b>TOTAL</b> (Also enter on Part 5—Recapitulation, page 3, at item 8.) . . . . .				

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

**SCHEDULE I—Annuities**

**Note:** Generally, no exclusion is allowed for the estates of decedents dying after December 31, 1984. See instructions.

**Note:** If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last three columns.

**A** Are you excluding from the decedent's gross estate the value of a lump-sum distribution described in section 2039(f)(2) (as in effect before its repeal by the Deficit Reduction Act of 1984)?  Yes  No  
 If "Yes," you must attach the information required by the instructions.

Item number	Description. Show the entire value of the annuity before any exclusions	Alternate valuation date	Includible alternate value	Includible value at date of death
1				
Total from continuation schedules (or additional statements) attached to this schedule . . . . .				
<b>TOTAL</b> (Also enter on Part 5—Recapitulation, page 3, at item 9.) . . . . .				

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

# FORM 706 – SCHEDULE I



# DEDUCTIONS SCHEDULES J THROUGH O



# FORM 706 – SCHEDULE J

## SCHEDULE J—Funeral Expenses and Expenses Incurred in Administering Property Subject to Claims

► Use Schedule PC to make a protective claim for refund due to an expense not currently deductible.  
For such a claim, report the expense on Schedule J but without a value in the last column.

**Note:** Do not list expenses of administering property not subject to claims on this schedule. To report those expenses, see instructions.

If executors' commissions, attorney fees, etc., are claimed and allowed as a deduction for estate tax purposes, they are not allowable as a deduction in computing the taxable income of the estate for federal income tax purposes. They are allowable as an income tax deduction on Form 1041, U.S. Income Tax Return for Estates and Trusts, if a waiver is filed to forgo the deduction on Form 706. See the Instructions for Form 1041.

Are you aware of any actual or potential reimbursement to the estate for any expense claimed as a deduction on this schedule? 

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If "Yes," attach a statement describing the expense(s) subject to potential reimbursement. See instructions.

Item number	Description	Expense amount	Total amount
<b>A. Funeral expenses:</b>			
1			
Total funeral expenses . . . . .		►	

**B. Administration expenses:**

- 1 Executors' commissions—amount estimated/agreed upon/paid. (Strike out the words that do not apply.) . . . . .
- 2 Attorney fees—amount estimated/agreed upon/paid. (Strike out the words that do not apply.) . . . . .
- 3 Accountant fees—amount estimated/agreed upon/paid. (Strike out the words that do not apply.) . . . . .

Item number	Description	Expense amount	Total amount
4	Miscellaneous expenses:		
Total miscellaneous expenses from continuation schedules (or additional statements) attached to this schedule . . . . .			
Total miscellaneous expenses . . . . .		►	
<b>TOTAL</b> (Also enter on Part 5—Recapitulation, page 3, at item 14.) . . . . .		►	

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

**SCHEDULE K—Debts of the Decedent, and Mortgages and Liens**

► Use Schedule PC to make a protective claim for refund due to a claim not currently deductible.  
For such a claim, report the expense on Schedule K but without a value in the last column.

Are you aware of any actual or potential reimbursement to the estate for any debt of the decedent, mortgage, or lien claimed as a deduction on this schedule? . . . . .	Yes	No
If "Yes," attach a statement describing the items subject to potential reimbursement. See instructions.		
Are any of the items on this schedule deductible under Reg. section 20.2053-4(b) and Reg. section 20.2053-4(c)? . . . . .	Yes	No
If "Yes," attach a statement indicating the applicable provision and documenting the value of the claim.		

Item number	Debts of the Decedent—Creditor and nature of debt, and allowable death taxes	Amount
1		

Total from continuation schedules (or additional statements) attached to this schedule . . . . .

**TOTAL** (Also enter on Part 5—Recapitulation, page 3, at item 15.) . . . . .

Item number	Mortgages and Liens—Description	Amount
1		

Total from continuation schedules (or additional statements) attached to this schedule . . . . .

**TOTAL** (Also enter on Part 5—Recapitulation, page 3, at item 16.) . . . . .

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

# FORM 706 – SCHEDULE K

# FORM 706 – SCHEDULE L

## SCHEDULE L – Net Losses During Administration and Expenses Incurred in Administering Property Not Subject to Claims

► Use Schedule PC to make a protective claim for refund due to an expense not currently deductible. For such expenses, report the expense on Schedule L but without a value in the last column.

Item number	Net losses during administration (Note: Do not deduct losses claimed on a federal income tax return.)	Amount
1		
Total from continuation schedules (or additional statements) attached to this schedule . . . . .		
<b>TOTAL</b> (Also enter on Part 5—Recapitulation, page 3, at item 19.) . . . . .		
Item number	Expenses incurred in administering property not subject to claims. (Indicate whether estimated, agreed upon, or paid.)	Amount
1		
Total from continuation schedules (or additional statements) attached to this schedule . . . . .		
<b>TOTAL</b> (Also enter on Part 5—Recapitulation, page 3, at item 20.) . . . . .		

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

**SCHEDULE M – Bequests, etc., to Surviving Spouse**

**Note:** If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions for more information. If you are not required to report the value of an asset, identify the property but make no entry in the last column.

		Yes	No
<b>1</b>	Did any property pass to the surviving spouse as a result of a qualified disclaimer? . . . . . If "Yes," attach a copy of the written disclaimer required by section 2518(b).	<b>1</b>	
<b>2a</b>	In what country was the surviving spouse born? _____		
<b>b</b>	What is the surviving spouse's date of birth? _____		
<b>c</b>	Is the surviving spouse a U.S. citizen? . . . . .	<b>2c</b>	
<b>d</b>	If the surviving spouse is a naturalized citizen, when and where did the surviving spouse acquire citizenship? _____		
<b>e</b>	If the surviving spouse is not a U.S. citizen, of what country is the surviving spouse a citizen? _____		
<b>3</b>	<b>Election Out of QTIP Treatment of Annuities.</b> Do you elect under section 2056(b)(7)(C)(ii) not to treat as qualified terminable interest property any joint and survivor annuities that are included in the gross estate and would otherwise be treated as qualified terminable interest property under section 2056(b)(7)(C)? See instructions	<b>3</b>	

Item number	Description of property interests passing to surviving spouse. For securities, give CUSIP number. If trust, partnership, or closely held entity, give EIN	Amount
<b>QTIP property:</b>		
<b>A1</b>		
<b>All other property:</b>		
<b>B1</b>		
Total from continuation schedules (or additional statements) attached to this schedule . . . . .		
<b>4</b>	<b>Total</b> amount of property interests listed on Schedule M . . . . .	<b>4</b>
<b>5a</b>	Federal estate taxes payable out of property interests listed on Schedule M . . . . .	<b>5a</b>
<b>b</b>	Other death taxes payable out of property interests listed on Schedule M . . . . .	<b>5b</b>
<b>c</b>	Federal and state GST taxes payable out of property interests listed on Schedule M . . . . .	<b>5c</b>
<b>d</b>	Add items 5a, 5b, and 5c . . . . .	<b>5d</b>
<b>6</b>	Net amount of property interests listed on Schedule M (subtract item 5d from item 4). Also enter on Part 5—Recapitulation, page 3, at item 21 . . . . .	<b>6</b>

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

# FORM 706 – SCHEDULE M

**SCHEDULE O—Charitable, Public, and Similar Gifts and Bequests**

**Note:** If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions for more information. If you are not required to report the value of an asset, identify the property but make no entry in the last column.

	Yes	No
<b>1a</b> If the transfer was made by will, has any action been instituted to contest or have interpreted any of its provisions affecting the charitable deductions claimed in this schedule? . . . . . If "Yes," full details must be submitted with this schedule.	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> According to the information and belief of the person or persons filing this return, is any such action planned? . . . . . If "Yes," full details must be submitted with this schedule.	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Did any property pass to charity as the result of a qualified disclaimer? . . . . . If "Yes," attach a copy of the written disclaimer required by section 2518(b).	<input type="checkbox"/>	<input type="checkbox"/>

Item number	Name and address of beneficiary	Character of institution	Amount
<b>1</b>			
Total from continuation schedules (or additional statements) attached to this schedule . . . . .			

<b>3</b> Total . . . . .	<b>3</b>	
<b>4a</b> Federal estate tax payable out of property interests listed above . . . . .	<b>4a</b>	
<b>b</b> Other death taxes payable out of property interests listed above . . . . .	<b>4b</b>	
<b>c</b> Federal and state GST taxes payable out of property interests listed above . . . . .	<b>4c</b>	
<b>d</b> Add items 4a, 4b, and 4c . . . . .	<b>4d</b>	
<b>5</b> Net value of property interests listed above (subtract item 4d from item 3). Also enter on Part 5—Recapitulation, page 3, at item 22 . . . . .	<b>5</b>	

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

# FORM 706 – SCHEDULE O

**SCHEDULE R – Generation-Skipping Transfer Tax**

**Note:** To avoid application of the deemed allocation rules, Form 706 and Schedule R should be filed to allocate the GST exemption to trusts that may later have taxable terminations or distributions under section 2612 even if the form is not required to be filed to report estate or GST tax.

The GST tax is imposed on taxable transfers of interests in property located outside the United States as well as property located inside the United States. See instructions.

**Part 1. GST Exemption Reconciliation (Section 2631) and Special QTIP Election (Section 2652(a)(3))**

You no longer need to check a box to make a section 2652(a)(3) (special QTIP) election. If you list qualifying property in Part 1, line 9, below, you will be considered to have made this election. See instructions for details.

<b>1</b>	Maximum allowable GST exemption . . . . .	<b>1</b>	
<b>2</b>	Total GST exemption allocated by the decedent against decedent's lifetime transfers . . . . .	<b>2</b>	
<b>3</b>	Total GST exemption allocated by the executor, using Form 709, against decedent's lifetime transfers . . . . .	<b>3</b>	
<b>4</b>	GST exemption allocated on line 6 of Schedule R, Part 2 . . . . .	<b>4</b>	
<b>5</b>	GST exemption allocated on line 6 of Schedule R, Part 3 . . . . .	<b>5</b>	
<b>6</b>	Total GST exemption allocated on line 4 of Schedule(s) R-1 . . . . .	<b>6</b>	
<b>7</b>	Total GST exemption allocated to inter vivos transfers and direct skips (add lines 2–6) . . . . .	<b>7</b>	
<b>8</b>	GST exemption available to allocate to trusts and section 2032A interests (subtract line 7 from line 1) . . . . .	<b>8</b>	
<b>9</b>	Allocation of GST exemption to trusts (as defined for GST tax purposes):		

<b>A</b> Name of trust	<b>B</b> Trust's EIN (if any)	<b>C</b> GST exemption allocated on lines 2–6 above (see instructions)	<b>D</b> Additional GST exemption allocated (see instructions)	<b>E</b> Trust's inclusion ratio (optional) (see instructions)

<b>9D Total.</b> May not exceed line 8 above . . . . .	<b>9D</b>	
<b>10</b> GST exemption available to allocate to section 2032A interests received by individual beneficiaries (subtract line 9D from line 8). You must attach special-use allocation statement. See instructions . . . . .	<b>10</b>	

# FORM 706 – SCHEDULE R, PART 1

# FORM 706 – SCHEDULE R, PART 2

## Part 2. Direct Skips Where the Property Interests Transferred Bear the GST Tax on the Direct Skips

Name of skip person	Description of property interest transferred	Estate tax value

1 Total estate tax values of all property interests listed above . . . . .	1	
2 Estate taxes, state death taxes, and other charges borne by the property interests listed above . . . . .	2	
3 GST taxes borne by the property interests listed above but imposed on direct skips other than those shown on this Part 2 (see instructions) . . . . .	3	
4 Total fixed taxes and other charges (add lines 2 and 3) . . . . .	4	
5 Total tentative maximum direct skips (subtract line 4 from line 1) . . . . .	5	
6 GST exemption allocated . . . . .	6	
7 Subtract line 6 from line 5 . . . . .	7	
8 GST tax due (divide line 7 by 3.5) . . . . .	8	
9 Enter the amount from line 8 of Schedule R, Part 3 . . . . .	9	
10 Total GST taxes payable by the estate (add lines 8 and 9). Enter here and on line 17 of Part 2—Tax Computation . . . . .	10	

# FORM 706 – SCHEDULE R, PART 3

## Part 3. Direct Skips Where the Property Interests Transferred Do Not Bear the GST Tax on the Direct Skips

Name of skip person	Description of property interest transferred	Estate tax value
1 Total estate tax values of all property interests listed above . . . . .		1
2 Estate taxes, state death taxes, and other charges borne by the property interests listed above . . . . .		2
3 GST taxes borne by the property interests listed above but imposed on direct skips other than those shown on this Part 3 (see instructions) . . . . .		3
4 Total fixed taxes and other charges (add lines 2 and 3) . . . . .		4
5 Total tentative maximum direct skips (subtract line 4 from line 1) . . . . .		5
6 GST exemption allocated . . . . .		6
7 Subtract line 6 from line 5 . . . . .		7
8 GST tax due (multiply line 7 by 0.40). Enter here and on Schedule R, Part 2, line 9 . . . . .		8



# FORM 706 – MISCELLANEOUS

- Schedule P – Credit for Foreign Death Taxes
- Schedule Q – Credit for Tax on Prior Transfers
- Schedule PC – Protective Claim for Refund

# EXAMPLES— FORM 709

# DOTING GRANDPARENTS

Bob and Sally want to pay for their grandchildren's education. As their tax advisor, what are their options?

- Transfer money to their daughter's bank account so she can pay tuition
- Pay the education expenses directly to the institution
- Fund a 529 Plan



# A NEW HOME

Mary is moving to assisted living and is deciding what to do with her home. Her granddaughter, Sarah, recently had her first child with her husband Mark.

Mary decides that she would like to help Sarah and Mark by selling her home to them at a discounted price. They will pay \$200,000 for the property, which a realtor says could sell for \$350,000.



## TRUST FUND BABY

George and Martha want to set up a trust for their son that may eventually go to their son's children. They plan to fund the trust with \$500,000 of cash and securities. They have made previous gifts and have provided their prior filed gift tax returns to you.

They also gave \$40,000 to charity during the year.





**QUESTIONS?**



## 2024 Summer Sessions

### Session III: You Can't Take it With You: The Essentials of Estate and Gift Tax

Friday, August 9, 2024 | 8:00 AM - 11:30 AM  
Community Foundation Campus | 5049 E. Broadway Blvd.  
Speakers: Lauren Talkington & Kaylan Brushwood

This is a FREE event for 2024-2025 SAEPC Members.  
Guests may attend for \$75.



For more information  
visit [SAEPC.org](https://www.saepec.org)

KAYLAN BRUSHWOOD

LAUREN R.G. TALKINGTON

# THANK YOU!

© 2024 BeachFleischman PLLC and Snell & Wilmer L.L.P. All rights reserved. The purpose of this presentation is to provide information on current topics of general interest, and nothing herein shall be construed to create, offer, or memorialize the existence of an accountant-client or attorney-client relationship. The content should not be considered accounting, business, tax or legal advice or opinion, because it may not apply to the specific facts of a particular matter. As guidance in areas is constantly changing and evolving, you should consider checking for updated guidance, or consult with either accounting, business, tax, or legal counsel, before making any decisions. The material in this presentation may not be reproduced, distributed, transmitted, cached or otherwise used, except with the express written consent of BeachFleischman PLLC or Snell & Wilmer L.L.P.