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**Estates (706)**

*The Basics of Data Entry for an Estate (706)*

**Return are the same as for the 1040.**

**Navigation through data entry, field- and screen-level help, and keyboard shortcuts all function as they do in the 1040 program.**

*See the 2018 Drake Tax User’s Manual for the basics of using the program. (The manual is available on the installation CD and on the Drake Support website: Support.DrakeSoftware.com > Training Tools > Manuals.)*

**Drake Tax programs its software according to the latest IRS rules and regulations. For a list of estate regulations for Tax Year 2018, see the form instructions.**

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**Important**

Be sure to review the 2018 Drake Tax User’s Manual – available from the Support.DrakeSoftware.com website – for details on the changes to the tax program and practice management tools such Update Manager, Scheduler, Client Status Manager, new security measures, such as two-step authentication, and enhancements to other programs, such as SecureFilePro and Drake Accounting.

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**Use the Most Current Version of Form 706**

OPENING AN ESTATE RETURN FOR AN INDIVIDUAL

The 2018 Drake Tax User’s Manual provides details on how to create and open new returns for any package, including the 706 package. In some cases, however, you will need to create an estate return (706 or 706-A) for an individual who already has a 1040 return in the program. To assign a single SSN to multiple returns:

1. From the Home window of Drake Tax, select Tools > File Maintenance > Change File Type.
2. In the Convert Client Data File Type dialog box, enter the SSN to be assigned to a new return type in the Enter ID Number to convert text box.

NOTE An SSN must already be associated with a return in the program before it can be assigned to a second return type.

3. Click Continue. The available return types are displayed. In Figure 2-1, the selected return is a 1040, so that option is disabled. Note that the 706 and 706-A options are in the right-hand column.

4. Click an option to select it, and then click Continue.
5. When asked if you want to keep the original return in addition to the new return, click Yes.
6. Click OK.

The SSN is now applied to both the original return and the new 706 return. In the future, when you enter the SSN to open a return, you will be asked which return you wish to open. When you use other features of the program where SSNs are entered (such as in the Client Selection dialog box in Tools > Letters > Letters), you will be prompted to indicate which return, the 1040 or the 706, the program should use.
**FORM 706**

Form 706 is used to figure a decedent’s estate tax or to compute generation-skipping transfer (GST) tax on direct skips. Form 706 is not e-fileable, but the 706 package in Drake Tax can be used for completing Form 706 and related forms.

**NOTE**
A death certificate must be attached to a 706 return before submission.

**PART 1: DECEDENT AND EXECUTOR INFORMATION**

Screen **DEMO** and screen 1 both contain fields for entering the general information that is printed in the top section of page 1 of Form 706 and 706-A. This information includes decedent data (**DEMO** screen) and decedent data, executor data, executor elections, and court and case information (screen 1).

The **DEMO** screen also has fields for entering miscellaneous codes and a preparer’s alternative e-signature PIN, a drop list for selecting appropriate state returns, and fields for overriding preparation fees, firm, preparer, and data-entry operator information. (For more on using these fields, see *2018 Drake Tax User’s Manual*.)

There is also a check box on the **DEMO** screen for indicating an amended return.

**Form 8971**

If filing Form 8971, Information Regarding Beneficiaries Acquiring Property from a Decedent, and the executor made an election on the estate tax return to use alternate valuation under section 2032, provide that date in the **Form 8971** section of the **DEMO** screen.

Enter the date the executor supplied the beneficiaries with Schedule A of Form 8971 on screen **BENE**, available from the **Supplemental Forms** tab of the **Data Entry Menu**.

**NOTES**

- Part I is not necessary for Form 706-A or Form 706-QDT. To access screens for completing the identifying information for the 706-A or 706-QDT, select the links on the **DEMO** screen or click the applicable tab (**Form 706-A** or **Form 706-QDT**) from the **Data Entry Menu**.

- On screen 1, item 7a, **Court**, allows up to 57 characters to account for the amount of space provided on the form. Item 7b, **Case number**, allows up to 16 characters (13 numbers + 3 dashes).

For more on Form 8971, see “Form 8971, Information Regarding Beneficiaries” on page 21.

**PART 2: TAX COMPUTATION**

Most of the information that is printed in Part 2 of the return is calculated from entries made on other screens, as directed by Form 706. For example, the amount for line 13, “Credit for foreign death taxes,” is calculated from the information you enter on
Flow of Data  Table 2-1 shows the screens from which Part 2 amounts are calculated.

<table>
<thead>
<tr>
<th>Line &amp; Label</th>
<th>Screen to Use in Drake Tax</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line 1, Total gross estate</td>
<td>PROP, U, various screens from the Deductions section</td>
<td>Amount includes stocks, bonds, annuities, insurance, &amp; property in which the decedent had an interest. See “Gross Estate (Schedules A through I; Schedule U)” on page 11.</td>
</tr>
<tr>
<td>Line 2, Tentative total allowable deductions</td>
<td>PROP and various screens from the Deductions section</td>
<td>See “Gross Estate (Schedules A through I; Schedule U)” on page 11 and “Deductions (Schedules J through M; Schedule O)” on page 21.</td>
</tr>
<tr>
<td>Line 4, Adjusted taxable gifts</td>
<td>709</td>
<td>See “Generation-Skipping Transfer (GST) Tax (Schedules R and R-1)” on page 25.</td>
</tr>
<tr>
<td>Line 7, Total gift tax paid</td>
<td>709</td>
<td>See “Generation-Skipping Transfer (GST) Tax (Schedules R and R-1)” on page 25.</td>
</tr>
<tr>
<td>Line 10, adjustment to applicable credit amount</td>
<td>709</td>
<td>See “Foreign Death Tax (Schedule P; Form 706-CE)” on page 25.</td>
</tr>
<tr>
<td>Line 13, Credit for foreign death taxes</td>
<td>CE</td>
<td>See “Foreign Death Tax (Schedule P; Form 706-CE)” on page 25.</td>
</tr>
<tr>
<td>Line 14, Credit for tax on prior transfers</td>
<td>Q</td>
<td>Calculated from Schedule Q; see &quot;Credit for Tax on Prior Transfers (Schedule Q)&quot; on page 26.</td>
</tr>
<tr>
<td>Line 17, GST taxes payable</td>
<td>R, R2</td>
<td>Calculated from Schedule R; see “Generation-Skipping Transfer (GST) Tax (Schedules R and R-1)” on page 25 for more information.</td>
</tr>
</tbody>
</table>

Direct-Entry Amounts  Enter amounts for the following lines directly onto screen 2:

- **Line 3b, State death tax deduction** — This is the amount of estate, inheritance, legacy, or succession taxes paid as a result of the decedent’s death to any state or the District of Columbia.

- **Line 9a, Basic exclusion amount** — This field overrides the amount calculated for line 9a, “Basic exclusion amount,” for Form 706.

- **Line 9c, Restored exclusion amount** — For more on restoring the exclusion amount, see Note “a,” on page 12.

- **Line 19, Prior payments** — Enter here any prior payments made of the estate taxes. (See Note “b,” on page 12.)

- **Line 19, U.S. Treasury bonds** — Enter here any U.S. Treasury bonds redeemed in payment of estate tax. (The executor may not use the treasury bonds to pay generation-skipping transfer taxes.)
Part 3: Elections by the Executor

Answer the Part 3 questions on screen 1 (Figure 2-2) to complete Form 706, Part 3, “Elections by the Executor.”

Figure 2-2: Use the Part 3 section of screen 1 to complete Part 3, Elections by Executor.

Mark a box to indicate a “Yes” answer; leave the box blank to indicate a “No” answer. (The “No” boxes on Form 706, page 2, Part 3, are marked by default.)

Part 4: General Information

Use screen 2 to complete Part 4, “General Information,” of Form 706.

Part 5: Recapitulation

Form 706, Part 5, is used to calculate the gross value of the estate. Data for Part 5 flows from various estate and deduction schedules. The type of assets owned by the estate determines which of the schedules should be filed with the return. The fields on screen 5 are override fields; enter data here only to override a calculate amount.

Gross Estate (Schedules A through I; Schedule U)

In Drake Tax, total gross estate information flows primarily from data entered on the PROP (Estate Property) screen, the U (Schedule U) screen, and the various screens
and schedules listed in the **Deductions** box on the right column of the **Form 706 Estate Forms** tab of the **Data Entry Menu**.

In some cases, information must be entered on both the **PROP** screen and one of the schedule screens. For instance, most data for Schedule F (Other Miscellaneous Property Not Reportable Under Any Other Schedule) is entered on the **PROP** screen, but data on the decedent’s safety deposit boxes must be entered on screen F (Sch F Other Miscellaneous Property).

The following sections cover the primary screens used for entering gross estate data.

Use the **PROP** screen to enter estate property data. This data should be applied, as applicable, to one of the following Form 706 schedules:

- Sch. A, Real Estate
- Sch. D, Insurance
- Sch. G, Transfers
- Sch. B, Stocks & Bonds
- Sch. E, Jointly Owned Property
- Sch. C, Mortgages, Notes, & Cash
- Sch. F, Other Misc Property
- Sch. I, Annuities

To enter estate property information:

1. Go to the **PROP** screen, accessible from the **Property** section on the **Form 706 Estate Forms** tab of the **Data Entry Menu**.

2. From the **For Schedule** drop list, select the schedule to which the estate property information should be applied. In the example to the right, the estate property information will be applied to Schedule A.

3. (as applicable) Complete the required **Description** and **Value** fields. The **Description** should be detailed enough to allow the IRS to easily locate the property for inspection and valuation. The **Value** should be the value of the property on the date of the decedent’s death.

4. (as applicable) If alternate valuation is elected, complete the **Alternate Date** and **Alternate Value** fields.

5. (as applicable) Complete fields for Schedules B, E, F, or I, including the **CUSIP number for Schedules B, E, or F** field.

To enter a second property description, press PAGE DOWN. A blank **PROP** screen is opened.
To have all or part of the value flow to Schedule M (Bequests, etc., to Surviving Spouse), mark the **Send this information to Schedule M** check box on the PROP screen. By default, the program sends the total to Schedule M. To send a different value, complete the **Amount to be carried to Sch M** override field. A separate statement will be attached automatically. See “Schedule M (Bequests to Surviving Spouse)” on page 23 for more information on completing Schedule M.

For more on Schedule B in Form 706, see “Schedule B (Stocks and Bonds)” on page 15.

### Beneficiaries

Record information about beneficiaries on screen **BENE** (for personal information), and the **Beneficiary Information** tab on the PROP screen (for entering percentages of property acquired from the decedent).

When the return is calculated, Form 8971 is produced, along with a Schedule A for each listed beneficiary. Supply each beneficiary with a copy of the beneficiary’s Schedule A for filing with that person’s or entity’s tax return. On screen **BENE**, report the date the executor provided the beneficiary with Schedule A of Form 8971.

**Beneficiary Information Tab**

When property is acquired by a beneficiary, enter information on the beneficiary on the **Beneficiary Information** tab of the PROP screen. For properties for which a beneficiary received a percentage, select the beneficiary from the **TIN** drop list, enter the percentage acquired, and, if more than beneficiary, select a “rounding beneficiary.”

**NOTE**

All beneficiaries entered on the **BENE** screen are listed in the **TIN** drop list of the **Beneficiary Information** tab. Make a selection from the **TIN** list and the **Name** field will be completed automatically. See “BENE Screen,” following.

**“Rounding” Beneficiary**

The “rounding” beneficiary will be the one who receives any balancing amount when the return is calculated. Each property for which there is more than one beneficiary should have a rounding beneficiary designated.

**BENE Screen**

Enter each beneficiary on a separate **BENE** screen (available from the **Supplemental Forms** tab of the **Data Entry Menu**). Provide all contact information (name, address, TIN, etc.), for that beneficiary, and such information as the date the executor provided a copy of Schedule A to the beneficiary, the beneficiary’s relationship to the decedent, the amount distributed (or to be distributed) to each beneficiary, and notification that the beneficiary is charitable organization or other institution. (If so, the program can send the information to Schedule O.)
All beneficiaries entered on a **BENE** screen will be available from the **Beneficiary Information** tab of the **PROP** screen.

**Schedule A (Real Estate)**

Use the **PROP** screen to enter information for Schedule A, Real Estate. Select **Schedule A** from the **For Schedule** drop list, as shown in the figure on page 12. See the IRS instructions or the Drake Help resources for specific instructions for each field. If any property is subject to a mortgage for which the estate is liable, report the full value of the property in the **Value** field and enter the amount of mortgage in the **Description** field. The unpaid amount of the mortgage may be deducted on Schedule K.

For more **PROP** screens, press PAGE DOWN.

**2032A Valuation**

If electing section 2032A valuation, Schedule A (**PROP** screen) and Schedule A-1 (**A1** screen) are required.

To complete Schedule A-1:

1. Open screen **A1**, accessible from the **Property** section of the **Form 706 Estate Forms** tab.
2. Complete all applicable fields for Parts 1, 2, and 3.
3. Press PAGE DOWN to access fields for completing lines 2, 3, and 4 of Part 2, Notice of Election (Figure 2-3).

4. After selecting a **Line** and **Schedule and Item Number**, enter the applicable values.

**NOTE**

Press F1 in a field to see and select the available options for the **Line** and **Schedule and Item Number** fields.

5. Press PAGE DOWN to access fields for completing line 10 of Part 2, Notice of Election.

**Other Notes on Real Estate**

Be aware of the following information regarding real estate on Form 706:

- Schedule A should include any real property the decedent contracted to purchase. Report the full value of the property (not the equity).
• For jointly owned property that must be disclosed on Schedule E, select Schedule E from the For Schedule drop list on the PROP screen.

• For real estate that is part of a sole proprietorship, select Schedule F from the For Schedule drop list on the PROP screen. Use screen F to enter data on the joint depositor or to expand on information regarding safe deposit box contents.

• For real estate that is included in the gross estate under section 2035, 2036, 2037, or 2038, select Schedule G from the For Schedule drop list on the PROP screen.

• For real estate that is included in the gross estate under section 2041, select Schedule H from the For Schedule drop list on the PROP screen.

• If the executor elects to exclude any qualifying conservation easements from the gross estate, complete screen U (Schedule U, Qualified Conservation Easement Exclusion).

Schedule B (Stocks and Bonds) Schedule B, Stocks and Bonds, is used if the total gross estate contains any stocks or bonds. Open the PROP screen, and select Schedule B from the For Schedule drop list to enter information for Schedule B.

See the following general guidelines for completing the fields applicable to Schedule B. (For more specific instructions on each field, see the field-level help for the Description field, or the IRS instructions.)

Description For the Description, list the stocks and bonds that are included in the decedent’s gross estate. Use a different PROP screen (press PAGE DOWN) for each stock or bond (or lot thereof). Note the following:

• Bonds exempt from federal income tax are not exempt from estate tax unless specifically exempted by an estate tax provision of the Code. These bonds should be listed in the Description field on the PROP screen but no value entered.

• Public housing bonds that are part of the gross estate must be included at their full value.

• If estate, inheritance, legacy, or succession tax was paid to a foreign country on any stocks or bonds included here, group those together in the Description box under the label “Subjected to Foreign Death Taxes.”

Value Enter the total value of the securities in the Value field. This amount should refer to the value of the asset on the date of death unless an alternate valuation date is elected.

Unit Value Enter the unit value per share of each stock or bond at the time of the decedent’s death in the Unit value field. The Unit value field is located below the Description field (item #1 in Figure 2-4 on page 16).
CUSIP Number

A Committee on Uniform Security Identification Procedure (CUSIP) number is assigned to all stocks and bonds traded on major exchanges and many unlisted securities. This number is typically printed on the face of the stock certificate. Enter the CUSIP number from the stocks or bonds in the field labeled **CUSIP number for Schedules B, E, or F**.

Schedule C, Mortgages, Notes, and Cash

Schedule C, Mortgages, Notes, and Cash, is selected from the **For Schedule** drop list on the PROP screen if the total gross estate contains any mortgages, notes payable to the decedent at the time of death, or cash at the time of death.

General guidelines for completing the fields applicable to Schedule C are similar to those provided in preceding sections. For more specific instructions on each field, see the field-level help for the **Description** field, or the IRS instructions.

Order of Items

Use a separate PROP screen (press PAGE DOWN) for each item for Schedule C. List items in the following order:

- a. Mortgages
- b. Promissory notes
- c. Contracts by decedent to sell land
- d. Cash in possession
- e. Cash in banks, savings and loan associations, or other types of financial organizations.

**NOTE**

Use the **Alternate Date** and **Alternate Value** fields (item #2 in Figure 2-4) if an alternate valuation is adopted.
For mortgages, the **Description** should include face value, unpaid balance, date of mortgage, date of maturity, name of maker, property mortgaged, interest dates, and interest rate. List promissory notes in same manner as mortgages.

**TIP**
There is a limited amount of information that will be accepted in the **Description** field. Be as brief as possible and abbreviate where you can. If you still cannot fit everything in, go to the **SCH** screen (accessible from the **Supplement Forms** tab), enter a title referring to the Schedule C, and complete your description.

**NOTE**
If entering multiple items, use a new **PROP** screen for each description. While in the **PROP** screen, press **PAGE DOWN** to open a new screen.

See IRS instructions for entering contracts and cash.

**Schedule D (Insurance on Decedent’s Life)**

If the estate is required to file Form 706, and there was any insurance on the decedent’s life, whether or not it was included in the gross estate, you must complete Schedule D, Insurance on the Decedent’s Life. From the **PROP** screen, select **Schedule D** from the **For Schedule** drop list and enter information for Schedule D.

In the **Description** text box, list the name of the insurance company and the number of the policy. If entering multiple policies, use a new **PROP** screen for each. (While in the **PROP** screen, press **PAGE DOWN** to open a new screen.) For every policy of life insurance listed on the schedule, you must request a statement on Form 712, Life Insurance Statement, from the company that issued the policy. Complete screen 712 in Drake Tax (available from the **Supplemental Forms** tab of the **Data Entry Menu**). Press **PAGE DOWN** to view and complete Part II. (If reporting more than one policy, from screen 712, press **CTRL+PAGE DOWN**.) Attach all Forms 712 to the back of Schedule D. Include insurance on the decedent’s life receivable by or for the benefit of the estate, and insurance on the decedent’s life receivable by beneficiaries other than the estate.

For specific instructions on each Schedule D field, see the IRS instructions.

**Schedule E (Jointly Owned Property)**

Schedule E, Jointly Owned Property, is used if the decedent owned joint property (real estate, personal property, or bank accounts) at the time of death, regardless of whether the decedent’s interest is includable in the gross estate. Use the **PROP** screen to enter information for Schedule E. When in the **PROP** screen, select **Schedule E** from the **For Schedule** drop list.

Review the follow general guidelines for completing the fields applicable to Schedule E. For more specific instructions on each field, see the field-level help in the **Description** field, or the IRS instructions.

**PROP Screen & E2 Screen**

A joint interest is a “qualified” joint interest if the decedent and the surviving spouse held the interest as **either** of the following:

- Tenants by the entirety
- Joint tenants with right of survivorship if the decedent and the decedent’s spouse are the only joint tenants
A CUSIP number is assigned to all stocks and bonds traded on major exchanges and many unlisted securities. This number is typically printed on the face of the stock certificate. If stocks or bonds are part of the jointly owned property described on Schedule E, enter the CUSIP number in the field labeled **CUSIP number for Schedules B, E, or F**.

**Schedule F (Other Misc Property)**

Schedule F, Other Miscellaneous Property Not Reportable Under Any Other Schedule, is used for miscellaneous property that must be included in the gross estate but is not reported on any other schedule. Use the **PROP** screen to enter information for Schedule F. When in the **PROP** screen, select **Schedule F** from the **For Schedule** drop list.

Following are some general guidelines for completing the fields applicable to Schedule F. For more specific instructions on each field, see the field-level help in the **Description** field, or the IRS instructions.

If entering multiple items, use a new **PROP** screen for each description. While in the **PROP** screen, press **PAGE DOWN** to open a new screen.

**Schedule F Items**

Specifically, the following types of items should be included on Schedule F:

- Debts due the decedent
- Insurance on life of another
- Claims, rights, royalties
- Reversionary interests
- Household goods, personal effects
- Farm product, growing crops
- Interests in business
- Section 2044 property
- Leaseholds, judgments
- Shares in trust funds
- Automobiles
- Livestock, farm machinery
**Business Interest**

If the decedent owned interest in a partnership or unincorporated business, attach a statement of assets and liabilities for the valuation date and for the five years before the valuation date, and attach statements of net earnings for the same five-year period.

**NOTES**

Report partnership interests on Schedule F unless the interest is jointly owned; use Schedule E for jointly owned partnerships (see “Schedule E (Jointly Owned Property)” on page 17).

If real estate is owned by sole proprietorship, use Schedule F (not Schedule A). Use the same degree of detail as if reporting on Schedule A (see “Schedule A (Real Estate)” on page 14).

**CUSIP Number**

A CUSIP number is assigned to all stocks and bonds traded on major exchanges and many unlisted securities. This number is typically printed on the face of the stock certificate. If applicable, enter the CUSIP number in the field labeled **CUSIP number for Schedules B, E, or F**.

**Schedule F Check Boxes**

Use the check boxes in the middle of the PROP screen to report art, collectibles, bonuses, awards, and access to a safe deposit box (Figure 2-5).

![Figure 2-5: Schedule F check boxes on PROP screen](image)

**Safe Deposit Box**

Select **Access to safe deposit box** if the decedent had access to a safe deposit box. If the decedent had a jointly held safe deposit box and the contents are not reported on any other schedules, use screen F, accessible from the Property section of the Form 706 Estate Forms tab, to enter the following information:

- Name and relationship of the joint owner
- Reason that the contents were not included on another schedule

Screen F should be used only for data regarding joint access to a safe deposit box. Data entered here is printed under question 3 (regarding safe deposit box) of Schedule F on the return.

**Schedule G (Transfers)**

If section 2032A valuation was elected (from the #2 check box in Part 3 of screen 1), both Schedule G (Transfers During Decedent’s Life) and Schedule A-1 (Section 2032A Valuation), must be filed. If you answered “Yes” (marked those check boxes) to questions 11b or 12 on screen 2, complete Schedule F or Schedule G. If the decedent made any of the following transfers, complete Schedule G:

- Certain gift taxes (section 2035 (b))
- Other transfers within 3 years before death (section 2035(a))
- Transfers with retained life estate (section 2036)
- Transfers taking effect at death (section 2037)
- Revocable transfers (section 2038)

Schedule G also must be filed if any section 2035, 2036, 2037, or 2038 transfers were made.
Use the PROP screen for Schedule G, and use the A1 screen, accessible from the Property section of the Form 706 Estate Forms tab, for Schedule A-1. Complete screen A1 for Schedule G using the steps outlined earlier for Schedule A. (See the steps in “2032A Valuation” on page 14.)

For specific instructions on each Schedule G field, see the field-level help in the Description field of the PROP screen, or the IRS instructions.

Schedule H (Powers of Appointment)

Schedule H, Powers of Appointment, must be submitted if question 14 of Form 706, Part 4, is answered “Yes.” (In other words, if the decedent ever possessed, exercised, or released any general power of appointment and the line 14 check box on screen 2 is marked.) Use the PROP screen to enter information for Schedule H. When in the PROP screen, select Schedule H from the For Schedule drop list.

For specific instructions on each Schedule H field, see the field-level help in the Description field of the PROP screen, or the IRS instructions.

Schedule I (Annuities)

Schedule I, Annuities, must be submitted if question 16 of Form 706, Part 4, is answered “Yes.” (In other words, if the decedent was receiving an annuity at the time of death). (See line 16 on screen 2.) Use the PROP screen to enter data for Schedule I. When in the PROP screen, select Schedule I from the For Schedule drop list.

Following are some general guidelines for completing the fields applicable to Schedule I. For more specific instructions on each Schedule I field, see the IRS instructions.

Description

In describing an annuity, provide the grantor’s name and address and specify if the annuity is under an approved plan. If it is under an approved plan, indicate the ratio of the decedent’s contribution to the total purchase price of the annuity.

If the decedent was employed at the time of death and the annuity became payable to a surviving beneficiary, indicate the ratio of the decedent’s contribution to the total purchase price of the annuity.

Excluding Lump-Sum Distribution

If lump sum distributions are being excluded from the list of annuities, mark the box in the If for Sch I line of the PROP screen (Figure 2-6).

Figure 2-6: Check box indicating exclusion of lump-sum distribution
Schedule U (Qual. Cons. Easement Exclusion) Schedule U is required if the executor elects to exclude any qualifying conservation easements from the gross estate. In Drake Tax, use screen U, accessible from the Property section under Form 706 Estate Forms tab, to enter data for Schedule U. See the IRS instructions for details on completing this schedule.

NOTE A worksheet is required if, at the time of the contribution of the conservation easement, the value of the land subject to the easement, or the value of any retained development right, was different from the estate tax value. To have Drake Tax calculate this worksheet, mark the Worksheet is required box near the top of screen U.

FORM 8971, INFORMATION REGARDING BENEFICIARIES The IRS requires Form 8971, Information Regarding Beneficiaries Acquiring Property from a Decedent, to be filed for any Form 706 to report the basis of assets reported on the Form 706 and who inherited the asset.

NOTE Form 8971 is generated when data in entered on screens BENE and PROP.

When the return is calculated, Form 8971 is produced, along with a Schedule A for each listed beneficiary. Supply each beneficiary with a copy of the beneficiary’s Schedule A for filing with that person’s or entity’s tax return. On screen BENE, report the date the executor provided the beneficiary with Schedule A of Form 8971.

NOTE If the beneficiary inherited only a cash distribution, open the PROP screen and mark the Cash bequest... check box on the Form 8971. No Form 8971, Schedule A, will be required or produced.

DEDUCTIONS (Schedules J Through M; Schedule O) In Drake Tax, total gross estate information flows primarily from data entered on the PROP (Estate Property) screen, the U (Schedule U) screen, and certain screens listed in the Deductions section on the Form 706 Estate Forms tab of the Data Entry Menu.

The following sections cover the these screens from the Deductions box:

• Screen J — Schedule J, Funeral & Administration Expenses
• Screen K — Schedule K, Debts, Mortgages, & Liens
• Screen L — Schedule L, Net Losses, Admin Expenses
• Screen M — Schedule M, Bequests to Surviving Spouse
• Screen O — Schedule O, Charitable, Public Gifts

Schedule J (Funeral & Other Expenses) Funeral and certain other expenses are deductible. These expenses should be reported on Schedule J, Funeral Expenses and Expenses Incurred in Administering Property Subject to Claims. In Drake Tax, use screen J to report these expenses.
Screen J has fields for up to two funeral expenses and up to two miscellaneous expenses. Press PAGE DOWN to open a blank screen J and enter additional expenses.

**NOTE**

Itemize funeral expenses in the top two **Description** and **Expense** fields. Exclude any amounts that were reimbursed (such as death benefits payable by the Social Security Administration or the Veterans Administration). Press PAGE DOWN for another Schedule J screen.

Mark the box to the right of a line if a protective claim has been filed for that expense. See the IRS instructions for further guidance in completing Schedule J.

### Schedule K (Debts, Mortgages, & Liens)

Debts, mortgages, and liens against the decedent are reported on Schedule K, Debts of the Decedent, and Mortgages and Liens. Use screen K to report this data. Listed below are brief descriptions of the screen K fields. See the IRS instructions for more details, and for exceptions.

- **Debts** — List valid debts the decedent owed at the time of death.
- **Amount** — Enter the amount of the mortgage or lien.
- **Mortgages and Liens** — List only obligations secured by mortgages or other liens on property that is included in the gross estate at its full value. Include a description of the mortgage or lien.
- **Amount** — Enter the amount of the mortgage or lien.

If more screens are needed, press PAGE DOWN.

At the top of the K screen are two check boxes:

- If the taxpayer is 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, mark the top check box.
- If any of the items on this schedule are deductible under Reg. section 20.2053-4(b) and Reg. section 20.2053-4(c), mark the second box.

Mark the box to the right of a line if a protective claim has been filed for that expense.

### Schedule L (Net Losses & Expenses Incurred)

Schedule L is required in order to claim deductions for net losses during administration, and for expenses incurred during administration of estate property not subject to claims. Use screen L to report this information. Below are brief descriptions of the screen L fields. See IRS instructions for limitations and further explanations.

- **Net losses during administration** — Describe net losses during administration. Do not include losses claimed on a federal income tax return.
- **Expenses incurred for property not subject to claims** — Describe any expenses incurred in administering property that was not subject to claims. Indicate whether estimated, agreed upon, or paid.
- **Amount** — Enter the amount of the loss or expense.

Mark the box to the right of a line if a protective claim has been filed for that expense.
Schedule M is required in order to claim a deduction for bequests to the surviving spouse. Generally, Schedule M can include all property interests passing from the decedent to the surviving spouse and that are included in the gross estate. (See the IRS instructions for explanations of terminable interests, nondeductible terminable interests, and QTIP elections.)

Use the PROP screen to enter most of the information for Schedule M:

1. Open the PROP screen and complete the applicable fields in the top section of the screen (Description, Value, etc.)
2. On the Send to Sch M line, mark the Send this information to Schedule M box (Figure 2-7).
3. Enter the amount (if different from the value provided) to flow to Schedule M. A statement is generated with the return that lists the property and stated value.

By default, the value entered in the Value field of the PROP screen is carried to Schedule M in the return. To have different amount flow to Schedule M, mark the check box and enter an amount in the Amount to be carried to Sch M override field (Figure 2-7).

4. If applicable, mark the box on the PROP screen to indicate a QTIP property and the Section 20.2010-2T(a)(7)(ii) check boxes regarding the amount in the override field. (There are QTIP property and Section 20.2010-2T(a)(7)(ii) check boxes on the M screen that affect amounts entered on screen M.)

Use screen M to report the following Schedule M information:

- **Qualified disclaimers** — To be a qualified disclaimer, a refusal to accept an interest in property must meet the conditions of section 2518. These are explained in Reg. sections 25.2518-1 through 25.2518-3. If property passes to a surviving spouse, place a check mark in box 1 of screen M and attach a copy of the written disclaimer required by section 2518(b).

- **Information about the surviving spouse** — Enter information on the surviving spouse’s citizenship status and date of birth.

- **Sect. 2056(b)(7): QTIP** — Use the check box on line 3 to elect out of QTIP Treatment of Annuities. If you want an entry to appear on both section “A1” and section “B1” of Schedule M, mark the QTIP and Section 20.2010... check boxes (beneath the Amount field) on screen M. Press PAGE DOWN for a second screen M. Do not
mark the line 3 check box on the second screen. The first entry will appear in “B1” with additional entries listed on the statement. Only on the first item can you reference the QTIP property.

- **Description of the property in the bequest** — If you entered this information on the PROP screen and marked Send to Sch M, you do not need to re-enter it here.
- **Information about estate taxes, other taxes, and GST taxes** — Enter the amount of federal state taxes, death taxes, and state and federal GST taxes payable out of property interests described in the Description fields.

For more information on completing Schedule M, see Drake Tax’s field-level helps and consult the IRS instructions.

**Schedule O**

Schedule O, Charitable, Public, and Similar Gifts and Bequests, must be submitted if the estate included gifts to charities, public gifts, or certain bequests. Here are some steps you might take to complete a Schedule O:

1. If a beneficiary of the decedent is, for instance, a charitable organization, open the BENE screen (available from the Supplemental Forms tab of the Data Entry Menu) and enter the contact information for the charity at the top of the screen. At the bottom of the screen, complete the Form 706, Schedule O lines, if applicable. (An amount entered in the Amount distributed... override field overrides an amount entered in the Value field of the PROP screen.)
2. Open a new PROP screen (available from the Form 706 Estate Forms tab). Enter a Description of the bequest to the charity and the Value.
3. Click the Beneficiary Information tab at the top of the PROP screen.
4. Select the charity from the TIN drop list and enter the percentage of the property that was (or will be) acquired by the charity.
5. Open screen O. If the bequest to the charity (or any charities, if more than one received bequests) is contested, might be contested, or passed to the charity as a result of a qualified disclaimer, mark boxes 1a, 1b, or 2, as appropriate.

**NOTE**

For any items marked on lines 1a, 1b, or 2, you must provide a statement. Open the SCH screen (available on the Supplemental Forms tab or by typing SCH in the selector field and pressing ENTER). Give the statement a title—for instance, “Schedule O, line 1b”—and in the large text box, describe the circumstances of the contested transfer. A statement is generated and printed with the return.

6. Enter in the fields on lines 4a, 4b, and 4c any federal estate taxes, death taxes, and state and federal GST taxes payable out of property interests described in the Description fields on the PROP screens.

For more information on Schedule O, and for information on what attachments may be required, consult the IRS instructions.

**FILING INSTRUCTIONS**

Form 706 and Form 8971 are filed to different locations. These mailing addresses are listed in the filing instructions generated in View/Print mode.

For more information, consult the IRS instructions for Forms 706 and 8971.
GENERATION-SKIPPING TRANSFER (GST) TAX (SCHEDULES R AND R-1)

Drake Tax provides the following screens for completing forms related to GST tax:

- Screen R — For Schedule R, Generation-Skipping Transfer Tax, Part 1
- Screen R2 — For Schedule R, Parts 2 and 3
- Screen R1 — For Schedule R-1, Direct Skips From a Trust
- Screen 709 — For Schedule R, Part 1, lines 2 (“Total GST exemption allocated by the decedent”) and 3 (“Total GST exemption allocated by the executor”)

These screens are accessible from the Form 706 Estate Forms tab of the Data Entry Menu. The R, R1, and R2 screens are located in the Deductions section, the 709 link is on the left side of the menu.

NOTE

Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, is filed using the 1040 program in Drake Tax. For more information on completing and filing Form 709, see “Gift Tax Returns” in Chapter 5 of the 2018 Drake Tax User’s Manual. For more information on providing Form 709 information, see the IRS instructions.

Schedule R

Because some amounts printed on Part 1 of Schedule R are actually carried from Parts 2 and 3, screen R has fields for only item 9 of Part I (“Allocation of GST exemption to trusts”). The screen has space for entering data for up to two items. To add more items, press PAGE DOWN.

On screen R2, you can select whether to have the information printed on Schedule R, Part 2 or on Schedule R, Part 3, by marking the applicable box (figure at left). If both boxes are marked, the information flows to Part 2.

Select the box to have GST information printed in either Part 2 or Part 3 of Schedule R.

FOREIGN DEATH TAX (SCHEDULE P; FORM 706-CE)

Use the top section of screen P to enter data for Schedule P, Credit for Foreign Death Taxes. Use the bottom half of this screen to enter data for Form 706-CE, Certificate of Payment of Foreign Death Tax.

Note that fields for Schedule P and Form 706-CE are located on the same screen. This screen can also be accessed by clicking either P or CE under the Form 706 Estate Forms tab in the Data Entry Menu, or by typing either P or CE in the selector field and pressing ENTER.

NOTE

If a foreign government refuses to certify Form 706-CE, the form must be filed directly with the IRS. See IRS instructions for completing Form 706-CE.
CREDIT FOR TAX ON PRIOR TRANSFERS (SCHEDULE Q)

Schedule Q is required in order to claim a credit for tax on prior transfers. Use screen Q to enter data for Schedule Q. This data is calculated and carried to Form 706, Part 2, line 14 (“Credit for tax on prior transfers”).

Use the top section of screen Q to enter transferor information for Schedule Q. Use the rest of screen Q to complete the Schedule Q worksheet.

NOTE

To enter multiple transferors, press PAGE DOWN for a new screen Q. Transfer amounts from subsequently added transferors appear in columns B and C of the Schedule Q worksheet. A new Schedule Q and Schedule Q worksheet are generated if there are more than three transferors.

COMPLETING FORM 706-NA IN DRAKE TAX

Form 706-NA computes estate and generation-skipping transfer (GST) tax liability for nonresident alien decedents. The estate tax is imposed on the transfer of the decedent’s taxable estate rather than on the receipt of any part of it.

To complete this return, you must obtain Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, and its instructions. You must attach schedules from Form 706 if you intend to claim a marital deduction, a charitable deduction, a qualified conservation easement exclusion, or a credit for tax on prior transfers, or if you answer “Yes” to question 5, 7, 8, 9a, 9b, or 11 in Part 3. You will need the instructions to Form 706 to explain how to value stocks and bonds. Make sure that you use the version of Form 706 that corresponds to the date of the decedent’s death.

Begin the process of completing Form 706-NA by filling out screen DEMO, then open screen NA, either by clicking the Prepare Form 706-NA link on the DEMO screen, or clicking the new Form 706-NA tab from the Data Entry Menu and selecting NA (see Figure 2-8).

Figure 2-8: The new Form 706-NA tab on the Data Entry Menu

Parts 1 and 2

Screen NA consists of Part 1, Decedent, Executor, and Attorney, and Part 2, Tax Computation. Complete Part 1, including the decedent’s information at the top of the NA screen, and the estate’s representatives’ (executor and attorney) information in the middle of the screen.

At the bottom of the screen, Part 2, has fields for reporting:

• Taxable gifts
- Unified credit
- Canadian marital credit
- Payments made earlier

“Total taxable gifts” are taxable gifts of tangible or intangible property located in the U.S., transferred by the decedent after December 31, 1976, and not included in the gross estate (see section 2511).

Line 7, “Unified credit,” is an override field. An entry here overrides the maximum unified credit of $13,000. See the field help (click in the field and press F1) for more information.

In addition to the unified credit, a “Canadian marital credit” — a nonrefundable marital credit — may be allowed if the executor elects this treaty benefit and waives the benefit of any estate tax marital deduction allowable under U.S. law. See the 1995 Canadian income tax treaty protocol for details on computing the credit. Attach a computation of the credit and, on the dotted line to the left of the line 9 entry, write “Canadian marital credit.”

Line 15, “Earlier payments” is the amount of any earlier payments made. Attach an explanation for having made those payments. To attach the explanation, open screen SCH, available from the Supplemental Forms tab of the Data Entry Menu or by typing SCH in the selector field and pressing ENTER. Give the statement a title—such as “ Earlier Payments”—and type an explanation of the payments in the large text box. For more information, see the field help for each field and the IRS instructions.

**Part 3**

Click the Part 3 tab at the top of the screen to see fields on completing General Information, Schedule A, and Schedule B.

Answer the questions in Part 3. A check mark in a box indicates a “Yes” answer; leave the box blank to answer “No.”

If you answer “Yes” to questions 5, 7, 8, 9a, 9b, or 11, you must attach certain schedules.

For instance, a “Yes” answer to question 5 requires Schedule E, Jointly Owned Property, from Form 706, and a “Yes” answer to question 7 requires an attached Schedule G, Transfers During Decedent’s Life.

In the Schedule A section at the bottom of the screen, if you elect to use the alternate valuation date, click the Gross Estate in the United States link to open the PROP screen and complete the Alternate Date and Alternate Value fields of the estate property listed.

In the Schedule B section, line 2 is for reporting the gross value of the estate outside of the United States.

Line 4 is for deducting the following items whether or not they were incurred or paid in the United States:
- Funeral expenses
- Administration expenses
- Claims against the estate
- Unpaid mortgages and liens
• Uncompensated losses that were incurred during settlement of the estate and that arose from theft or from casualties, such as fires, storms, or shipwrecks

Note that line 4 is an override field. An entry here overrides expenses entered on screen J.

See the field help for this line for more information. Access screen J from the Form 706 Estate Forms tab of the Data Entry Menu.

Line 7, “State death tax deduction,” is for deducting death taxes (estate, inheritance, legacy, or succession taxes) paid to any state or the District of Columbia on property listed in Schedule A and entered on the PROP screen. (Click the Gross Estate in the United States link in the Schedule A section to open the PROP screen.)

To calculate the deduction for state death taxes, use the formula located in the IRS instructions. Enter the results in the field on line 7.

Treaty-Based Disclosure

Form 8833 must be used by taxpayers to make the treaty-based return position disclosure required by section 6114 and the Regulations section 301.6114-1). The form must also be used by “dual-resident taxpayers” to make the treaty-based return position disclosure required by Regulations section 301.7701(b)-7. Generally, a taxpayer who takes a treaty-based return position must disclose that position, unless reporting is specifically waived. See instructions for exceptions from reporting.

Click the 8833 link from the Form 706-NA tab of the Data Entry Menu to complete Form 8833, Treaty-Based Return Position Disclosure under Section 6114 or 7701(b).

If you are reporting any items on this return based on the provisions of a death tax treaty or protocol, attach a statement to this return indicating that the return position is treaty-based. See Regulations section 301.6114-1 for details.

Attach a separate Form 8833 for each treaty-based return position taken. Failure to disclose a treaty-based return position may result in a penalty of $1,000 ($10,000 in the case of a corporation). (See section 6712.)

Form 706-A

An heir is required to submit Form 706-A, U.S. Additional Estate Tax Return, to report certain additional estate tax imposed by section 2032A. Use the screens listed under the Form 706-A tab of the Data Entry Menu to enter most 706-A information.

NOTE To file Form 706-A, the qualified heir and the tax preparer must both sign the return.

Part I: Heir and Decedent Information

To enter information for the heir and decedent on Form 706-A:

1. Open the 706-A return in Drake Tax. (For information on creating a new return, or on creating a 706-A return for an existing client, see “Opening an Estate Return for an Individual” on page 8.) By default, the program displays the DEMO screen when a new 706 return is created.
2. After verifying that the heir’s name and SSN are correct on the DEMO screen, click the **Prepare Form 706-A** link at the top of the DEMO screen to open screen **706A**.

A name can be corrected on screen DEMO. If the SSN in incorrect, however, you must select **Tools > File Maintenance > Change ID Number on Return** from the Home window menu bar in order to correct it. See the *2018 Drake Tax User’s Manual* for more information on changing an SSN. (PPR users must use another return if changing an SSN, thus reducing the number of their returns.)

3. Alternately, close the DEMO screen and go to the **Form 706-A** tab to access the menu listing all Form 706-A screens (Figure 2-9), and then click to open the **706A** screen.

![Figure 2-9: Click the Form 706-A tab from the Data Entry Menu (1) and click the 706A link (2) to open the 706A screen.](image)

4. Complete all applicable fields for the qualified heir and the decedent.

The **706A** screen also has fields for entering an invoice number, fields for overriding preparation fees, firm, preparer, and data-entry operator information, plus a field for entering a preparer’s alternative e-signature PIN.

For more on using these fields, see *2018 Drake Tax User’s Manual*.

**NOTES**

**PART 2: TAX COMPUTATION**

Use the **COMP** screen to enter data for Form 706-A, Part II, Tax Computation. See the IRS instructions for more information on completing this section of the form.

**FORM 706-A SCHEDULES**

Use the **DISP** screen to enter data for the Form 706-A schedules, listed below:

- Schedule A, Disposition of Specially Valued Property or Cessation of Qualified Use
- Schedule B, Involuntary Conversions or Exchanges
- Schedule C, Dispositions to Family Members of the Qualified Heir

To enter data for one of the Form 706-A schedules:
1. Open the **DISP** screen, accessible from the **Form 706-A** tab.
2. From the **For Schedule** drop list, select the schedule to which the screen should apply (Figure 2-10).

![Figure 2-10: Select a schedule from the **For Schedule** drop list.](image)

3. In the fields provided, enter the description, schedule letter, item number, and disposition date.
   - The **Description** should match that used on the Form 706 filed for the decedent.
   - The **Form 706 Sch** and **Item #** boxes should have the letter and item number used to report the property on the decedent’s Form 706.
   - The **Disposition date** is the date of disposition or the date that qualified use ceased for the property.
4. Complete the remaining applicable fields. See the IRS instructions and Drake Tax field helps for more information on specific fields on Schedules A, B, and C.

To enter additional dispositions, press **PAGE DOWN**.

### SECTION 1016(C) ELECTION

Use the **1016** screen, accessible from the **Form 706-A** tab, to have the heir elect Section 1016(c) to increase the basis of specially valued property. In the first box, enter the amount of interest to be paid on the additional estate tax due because of the Section 1016(c) election. In the other three boxes, enter the Form 706 schedule, item number, and description of the property to which the election is made.

### FORM 706-QDT

Screens for completing Form 706-QDT, U.S. Estate Tax Return for Qualified Domestic Trusts, can be accessed from the **Form 706-QDT** tab (see Figure 2-11 on page 31) of the **Data Entry Menu**, or via the link on the **DEMO** screen.
The **QDT** screen contains override fields for fee, firm, preparer, and data entry operator. It also has fields for assigning an invoice number and entering the preparer’s alternative e-signature PIN. For more on using these fields, see *2018 Drake Tax User’s Manual*.

**PARTS I, II, AND III**

Use the **QDT** screen to enter data for Parts I, II, and III of Form 706-QDT. Use the top half of the screen for Part I, General Information. Use the fields in the **Part II Elections** section (at the lower left side of the screen) to complete Part II, Elections by the Trustee/Designated Filer. Use the fields in the **Part III Tax Computation Override** section (above Part II) to complete Part III, Tax Computation.

**SCHEDULE A**

Schedule A of Form 706-QDT consists of four parts:

- Part I, Summary of Prior Taxable Distributions
- Part II, Summary of Current Taxable Distributions
- Part III, Summary of Property Remaining in QDOTs at Death of Surviving Spouse
- Part IV, Summary of Marital and Charitable Deductions

Use the **PT1**, **PTII**, **PIII**, and **PTIV** screens to enter data for Parts I, II, III, and IV, respectively. Press PAGE DOWN as needed for additional screens.

**SCHEDULE B**

Schedule B of Form 706-QDT consists of six parts:

- Part I, General Information
- Part II, Taxable Distributions from Prior Years
- Part III, Current Taxable Distributions
- Part IV, Taxable Property in Trust at Death of Surviving Spouse
- Part V, Marital Deductions
- Part VI, Charitable Deductions
**Filing for Extensions (706 and 706-A)**

Form 4768, Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes, must be submitted in order to apply for an automatic six-month extension of time to file either Form 706 or Form 706-A. In Drake Tax, enter all applicable extension request data on screen **EXT**, located under the **Supplemental Forms** tab.

On the top-left corner of the screen, mark the proper box to request an automatic extension or an additional extension (item #1 in Figure 2-12).

If requesting an additional extension, enter the **Extension date requested** (item #2 in Figure 2-12).

**Executor Not Filing 4768**

If someone other than the estate executor is filing Form 4768 for the estate return, enter that person’s name in the text box at the top of the screen, and additional filer information in the **Signature and Verification** section in the lower half of the screen. Use Drake Tax’s field-level helps for more information on completing each field.

**Form 706-A Due Date**

On the **EXT** screen, the **Form 706-A only - Date return is due** box (item #3 in Figure 2-12) is used only to override the **Disposition date** from the **DISP** screen of the **Form 706-A** tab. The due date will be six months after this date.

**Note**

A date is required in either the **Form 706-A only - Date return is due** box on the **EXT** screen or in the **Disposition** date field of the **DISP** screen in order to file the extension. If there were no dispositions or conversions, enter the date on the **EXT** screen.
EXTENSION REQUEST & AMOUNTS TO PAY

Use Part III of screen 4768 to request an extension of time to pay estate taxes. After selecting the appropriate box on the left side of the screen, enter a date in the Extension of time to pay text box on the right side of the screen. Use Part IV to enter the estimated amount of estate and GST tax due and the amount of cash the estate is short of the required total.

EXPLANATION

In the lower half of screen EXT, use the Explanation text box to enter an explanation for the extension request. This explanation is carried to a statement that is generated when Form 4768 is printed.

FILING AFTER EXTENSION

If the extension request has already been filed and your client is now ready to file the return, take the following steps:

1. (706 only) On screen 1, mark the Time to file this Form 706 was extended box.
2. On screen EXT, select the Extension was previously filed... box at the bottom of the screen.

When the return is generated, the program produces a client results letter telling the client that the return has been prepared and should be signed rather than an Extension Letter (telling the client that an extension application has been prepared) with the return.

AMENDING A RETURN (706 ONLY)

To amend an estate (Form 706) return that has already been filed, file another Form 706. Go to screen DEMO, select Amended return. The words “Supplemental Information” are automatically printed on the amended return. Attach pages 1, 2, 3, and 4 of the original return before mailing.

SUPPLEMENTAL FORMS

Various other screens may be needed for estate returns. To see these screens, open the Supplemental Forms tab from the Data Entry Menu.

LIFE INSURANCE

Use the 712 screen (Form 712, Life Insurance Statement), accessible from the Supplemental Forms tab, to enter information on any life insurance policies that covered the decedent. Note that the 712 screen actually consists of two screens. After entering the requested information about the policy, press PAGE DOWN to complete the additional fields.

A separate 712 screen must be completed for each policy. For additional 712 screens, press CTRL+SHIFT+PAGE DOWN.
ELECTION OPTIONS

Certain election options from the IRS code are available for 706 filers. Use the ELEC screen, accessible from the Supplemental Forms tab, to indicate election options.

CLAIM FOR REFUND AND REQUEST FOR ABATEMENT (FORM 843)

Use screen 843 to complete Form 843, Claim for Refund and Request for Abatement, to claim a refund or request abatement of certain taxes, interest, penalties, fees, and additions to tax.

Screen 843 is available from the Supplemental Forms tab or by typing 843 in the selector field and pressing ENTER.

Mail Form 843 to the service center where you would file a current-year tax return for the tax to which the claim or request relates unless responding to IRS letter or notice. See IRS instructions for the return you are filing.

FORM 911 FILING REQUIREMENTS

Form 911, Request for Taxpayer Advocate Service Assistance, can be completed through Drake Tax. The Taxpayer Advocate Service (TAS) is the taxpayer’s voice at the IRS. TAS may be able to help if the taxpayer (estate or beneficiary) is experiencing a problem with the IRS and:

• The problem with the IRS is causing financial difficulties for the estate or beneficiary
• The estate or beneficiary faces an immediate threat of adverse action
• The estate or beneficiary has tried repeatedly to contact the IRS, but no one has responded, or the IRS has not responded by the date promised.

Screen 911 is accessible from the Supplemental Forms tab.

For more information, log on to the TAS website at taxpayeradvocate.irs.gov/get-help, read Publication 1546, Taxpayer Advocate Service, or call, toll-free, (877) 777-4778.

OTHER SCREENS

On the Supplemental Forms tab is the link to screen PC, used to complete Schedule PC, Protective Claim for Refund. This is a protective claim for refund preserves the estate’s right to a refund of tax paid on any amount included in the gross estate which would be deductible under section 2053 but has not been paid or otherwise will not meet the requirements of section 2053 until after the limitations period for filing the claim has passed.

For information on the other supplemental screens—such as the BILL screen, the LTR (Letter) screen, the NOTE (Preparer’s Notes) screen, the PAD (Preparer’s Notepad) screen, the SCH (Attached Statement) screen, or the 8822 (Change of Address) screen—see the 2018 Drake Tax User’s Manual.
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