
**WORKSHEET 6—REQUIREMENTS FOR FILING FEDERAL ESTATE
(AND GENERATION-SKIPPING TRANSFER) TAX RETURN
(IRS FORM 706)**

Estate of _____

1. Enter the gross value of all of D's assets including proceeds of life insurance owned by D, IRAs, and employee benefits as of the date of D's death. \$ _____
2. Amount of applicable exclusion (Item 26.21 of MIL) \$ _____ *

If the amount on Line 1 exceeds the amount on Line 2, the return *must be filed* regardless of other factors.

3. Even though no return may be required under Item 2, there are unusual situations for which a return will be required. Items 4 through 18 of this worksheet deal with those situations.
4. Applicable exclusion amount (Item 26.21 of MIL) \$ _____ *
5. Enter the amount of the adjusted taxable gifts (Section 2001(b) of IRC) made by D on or after January 1, 1977 (Item 20.04 of MIL). \$ _____
6. Enter the amount allowed as a specific exemption (Section 2521 of IRC in effect before December 31, 1976) with respect to gifts made by D between September 9, 1976, and December 31, 1976, both dates inclusive (Item 20.06 of MIL). \$ _____
7. Enter the amount of gift taxes paid by D or by D's estate for gifts made by D or D's spouse within three years before D's death (Item 20.08 of MIL). \$ _____
8. Enter the amount of death benefits from life insurance policies given away by D within three years of D's death (Item 13.24 of MIL). \$ _____
9. Enter the total of Lines 5, 6, 7, and 8. \$ _____
10. Subtract Line 9 from Line 4 and enter the amount here. \$ _____
11. Enter the gross value of all of D's assets including proceeds of life insurance owned by D, IRAs, and employee benefits as of the date of D's death. **DO NOT SUBTRACT DEBTS OR EXPENSES.** This should be the same amount as shown on Line 1. \$ _____
12. If the amount on Line 11 is greater than the amount on Line 10, the return *must be filed*.
13. If the amount on Line 10 is greater than the amount on Line 11, answer all of the following questions:

- a. Within three years before D's date of death, did D transfer any life insurance policy?
 Yes No If yes, enter the amount of death benefits from all such policies. (Item 20.40 of MIL) \$ _____
- b. Within three years before D's date of death, did D make any transfer in which D retained a life estate? Yes No If yes, enter the fair market value of these assets as of the date of D's death. (Item 20.29 of MIL) \$ _____
- c. Within three years before D's date of death, did D make any transfer in which, on the date of D's death, D retained a reversionary interest valued at more than 5% of the fair market value of the property? Yes No If yes, enter the full fair market value of all such assets as of the date of D's death. (Item 20.18 of MIL) \$ _____
- d. Within three years before D's date of death, did D have a power to alter, amend, revoke, or terminate the enjoyment by a beneficiary of any interest in a trust or any other property, whether or not D created such interest? Yes No If yes, enter the full fair market value of all assets in such trust or of such other property as of the date of D's death. (Items 20.26, 20.27, and 20.36 of MIL) \$ _____
- e. Within three years before D's date of death, did D release any power to alter, amend, revoke, or terminate the right of enjoyment by any beneficiary in any property? Yes No If yes, enter the full fair market value of all such property as of the date of D's death. (Item 20.28 of MIL) \$ _____
- f. After June 22, 1976, did D transfer ownership of but retain voting rights in stock in a corporation in which D had the right to vote at least 20% of the total combined voting power of all classes of stock? Yes No If yes, enter the full fair market value as of the date of D's death of all shares of stock so transferred. (Item 20.44 of MIL) \$ _____
- g. At any time, did D make transfers where possession or enjoyment did not take effect until D's death? Yes No If yes, enter the full fair market value of all such assets as of the date of D's death. (Item 20.47 of MIL) \$ _____
- h. At any time, did D make a transfer where D retained possession or enjoyment of or income from the transferred property? Yes No If yes, enter the full fair market value of all such assets as of the date of D's death. (Item 20.19 of MIL) \$ _____
- i. At any time, did D convey title to real estate that D continued to occupy until D's death? Yes No If yes, enter the full fair market value of all such assets as of the date of D's death. (Item 20.20 of MIL) \$ _____
14. If the answer to *EVERY* question in Item 13 is NO, a return is *not* necessary.
15. Enter the total of Lines 13a through 13i. \$ _____
16. Enter the total of Lines 10 and 15. \$ _____
17. If the amount on Line 16 exceeds the amount on Line 2, the return *must be filed*.
18. If the amount on Line 16 is less than the amount on Line 2, a return is *not* necessary.

19. If a return is *not* necessary, was D married on the date of death? Yes No
20. If the answer to Item 19 is NO, a return may not be filed to make a portability election. If the answer to Item 19 is YES, an IRS Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return may be filed in accordance with applicable instructions. See Special Instruction 80—Federal Estate Tax for additional information.

If the values are close or if there is *any* doubt whether a return should be filed, we recommend that you *do* file IRS Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return.

**Note:* Enter applicable exclusion amount. The applicable exclusion amount is \$11,400,000 for deaths in 2019 and \$11,580,000 for deaths in 2020. In future years, the amount is to be adjusted for inflation. Since those provisions can be changed or postponed, it is imperative to verify the applicable exclusion amount for the year of D's death. See Special Instruction 80—Federal Estate Tax.