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Instructions for
Form 706-QDT
(Rev. August 2025)
U.S. Estate Tax Return for Qualified Domestic Trusts

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 706-QDT and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form706QDT](https://www.irs.gov/Form706QDT).

What's New

Form 706-QDT redesign. The Form 706-QDT has been redesigned to work more efficiently for taxpayers and the IRS.

Electronic payments. The use of paper-based payments (including checks and money orders) flowing into and out of the federal government are being transitioned into electronic payments to reduce delays, risks of fraud, lost payments, theft, and inefficiencies. See [EO 14247, 90 FR 14001](#), for more information.

Direct deposit. To the extent permitted by law, the Secretary of the Treasury will cease issuing paper checks for all federal disbursements. Direct deposit is now available for this form. If there is an overpayment when filing your return, complete Part III, lines 15b, 15c, and 15d to input your direct deposit information. See [Line 15—Overpayment](#), and [Non-electronic federal disbursement exceptions](#), later, for more information.

Making a payment. Payments made to the federal government must be processed electronically. See [Line 14—Tax Due](#), and [Non-electronic payment exceptions](#), later, for information on how to make a payment.

General Instructions

Purpose of Form

The trustee or designated filer (described below) of a qualified domestic trust (QDOT) uses Form 706-QDT to figure and report the estate tax due on:

- Certain distributions from the QDOT,
- The value of the property remaining in the QDOT on the date of the surviving spouse's death, and
- The corpus portion of certain annuity payments.

Under certain circumstances, the trustee/designated filer uses Form 706-QDT to notify the IRS that the trust is exempt from future filing because the surviving spouse has become a U.S. citizen and meets the requirements listed under [Line 4, Spousal Election](#), later.

The QDOT rules apply only in those situations where a decedent's surviving spouse is not a U.S. citizen.

Who Must File

Either the trustee or the designated filer, as described below, must file Form 706-QDT for any year in which the QDOT has

a taxable event (defined below) or makes a distribution on account of hardship.

Trustee

If the surviving spouse is the beneficiary of only one QDOT, the trustee of that QDOT is liable for filing Form 706-QDT and paying the tax.

The trustee must also file Form 706-QDT if the surviving spouse is the beneficiary of more than one QDOT, unless the decedent's executor designated one U.S. trustee as the designated filer.

If there is more than one trustee for any single trust, each trustee is liable for filing the return and paying the tax.

If there is a designated filer, the trustee of each trust must still complete a separate Schedule B of Form 706-QDT for each trust and provide the completed Schedule B to the designated filer at least 60 days before the due date for filing Form 706-QDT.

Designated Filer

If the surviving spouse is the beneficiary of more than one QDOT from a single decedent, and the decedent's executor has made such a designation, then the designated filer selected by the executor is liable for filing the return and paying the tax for all QDOTs. This designation can be made on either the decedent's estate tax return or the first Form 706-QDT that is timely filed.

In this case, the trustee of each QDOT is responsible for completing Schedule B of Form 706-QDT for each trust and giving it to the designated filer.

Definitions

Qualified domestic trust. A qualified domestic trust (QDOT) is any trust that qualifies for an estate tax marital deduction under section 2056 and also meets all of the following requirements.

- The trust instrument requires that at least one trustee be either a U.S. citizen or a domestic corporation.
- The trust instrument requires that no distribution of corpus from the trust may be made unless the trustee who is a U.S. citizen or a domestic corporation has the right to withhold from the distribution the QDOT tax imposed on the distribution.
- The QDOT election under section 2056A(d) has been made for the trust by the executor of the estate on the decedent's estate tax return.
- The requirements of all applicable regulations have been met.

Taxable event. A taxable event is any of the following.

1. Any distribution from a QDOT (and certain annuity payments) before the death of the surviving spouse, except:

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- a. Distributions of income to the surviving spouse, and
 - b. Any distributions made to the surviving spouse on account of hardship.
2. The death of the surviving spouse.
3. The failure of the trust to qualify as a QDOT.

Hardship distribution. A distribution of principal is treated as made on account of hardship if it is made to the spouse from the QDOT in response to an immediate and substantial financial need relating to the spouse's health, maintenance, education, or support, or the health, maintenance, education, or support of any person that the surviving spouse is legally obligated to support.

Decedent. In these instructions, decedent means the grantor of the QDOT on whose estate tax return the executor makes the QDOT election.

Surviving spouse. In these instructions, surviving spouse means the individual who is both the surviving spouse of the decedent and also the beneficiary of the decedent's QDOT.

Note. The term "spouse" includes an individual married to a person of the same sex if the couple is lawfully married under state (or foreign) law. See Rev. Rul. 2013-17, 2013-38 I.R.B. 201, available at [Rev. Rul. 2013-17](#), for more details.

When To File

Form 706-QDT is an annual return.

Generally, the return to report distributions is due on or after January 1 but not later than April 15 of the year following any calendar year in which a taxable event occurred or a distribution was made on account of hardship.

However, if you are filing the return because of the death of the surviving spouse, you must file it within 9 months following the date of death. You must also report on that return all reportable distributions made during the calendar year in which the surviving spouse died. This rule may result in a return being due before April 15. For example, if the surviving spouse died on June 14, 2025, Form 706-QDT would be due March 14, 2026, and must include all reportable distributions made during 2025.

If the trust ceases to qualify as a QDOT, you must file Form 706-QDT within 9 months of the date on which the trust ceased to qualify. You must include on that return any reportable distributions made during the calendar year of the failure to qualify.

Use Form 4768, Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes, to apply for an automatic 6-month extension of time to file Form 706-QDT. Check the "Form 706-QDT" box in Part II of Form 4768.

Note. An extension of time to file does not extend the time to pay the tax.

Private delivery services (PDSs). You can use certain PDSs designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. Go to [IRS.gov/PDS](#) for the current list of designated services.

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSStreetAddresses](#).



PDSs can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Where To File

File Form 706-QDT at the following address.

Department of the Treasury
Internal Revenue Service Center
Kansas City, MO 64999

If using a PDS, use this address.

Internal Revenue Submission Processing Center
333 W. Pershing
Kansas City, MO 64108

Paying the Tax

Generally, the QDOT estate tax is due by April 15 of the year following the calendar year in which taxable distributions were made. However, if the surviving spouse died during the year or if the trust ceased to qualify as a QDOT during the year, the tax on those events and on any taxable distributions occurring during that calendar year is due within 9 months following the date of death or the failure to qualify.

If the QDOT qualifies, you may elect under section 6166 to pay the tax in installments. You may make either a protective or final election by checking "Yes" on line 3 of Part II—Elections by the Trustee/Designated Filer, and attaching the required statements. See the instructions under [Line 3. Installment Payments](#), later, for additional information.

See [Line 14—Tax Due](#), later for details on how to make a payment.

Supplemental Documents

You must attach a copy of the trust instrument to the first Form 706-QDT filed for the trust. You do not need to attach a copy of the trust to any subsequent filings of Form 706-QDT.

If you are filing the return due to the death of the surviving spouse, attach a copy of the death certificate.

Penalties

Section 6651 provides penalties for both late filing and for late payment unless there is reasonable cause for the delay. The law also provides penalties for willful attempts to evade payment of tax.

Section 6662 provides penalties for underpayment of estate taxes which exceed \$5,000 that are attributable to valuation understatements. See sections 6662(g) and (h) for more details.

Return preparer. Estate tax return preparers who prepare any return or claim for refund that reflects an understatement of tax liability due to an unreasonable position are subject to a penalty equal to the greater of \$1,000 or 50% of the income earned (or to be earned) for the preparation of each such return. Estate tax return preparers who prepare any return or claim for refund that reflects an understatement of tax liability due to willful or reckless conduct are subject to a penalty of \$5,000 or 75% of the income derived (or income to be derived), whichever is greater, for the preparation of each such return. See section 6694(a) and 6694(b), the related regulations, and Announcement 2009-15, 2009-11 I.R.B.

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687, available at [Announcement 2009-15](#), for more information.

Security for Payment of the Tax

Assets in Excess of \$2 Million

If the estate tax value of the assets passing to the QDOT exceeds \$2 million (determined without regard to any indebtedness), the trust instrument must require that the trust meet at least one of the following conditions at all times during the term of the QDOT.

- At least one U.S. trustee must be a bank as defined in section 581.
- The U.S. trustee must furnish a bond in favor of the IRS in an amount equal to 65% of the fair market value (FMV) of the trust assets.
- The U.S. trustee must furnish an irrevocable letter of credit issued by a bank in an amount equal to 65% of the FMV of the trust assets.

The trust instrument may also meet this requirement by specific reference to the applicable paragraph of Regulations section 20.2056A-2(d).

The QDOT may alternate between any of these arrangements provided that one of the arrangements is operative at any given time. The QDOT may give the trustee the discretion to use any one of the security arrangements, or may limit the trustee to using only one or two of the arrangements.

Assets of \$2 Million or Less

If the estate tax value of the assets passing to the QDOT is \$2 million or less (determined without regard to any indebtedness), the trust instrument must require that the trust meet at least one of the following conditions at all times during the term of the QDOT.

- No more than 35% of the FMV of trust assets, determined annually on the last day of the tax year of the trust, will consist of real property located outside the United States.
- The trust will meet the requirements described above for QDOTs with assets in excess of \$2 million.

For this purpose, if more than one QDOT is established for the benefit of the surviving spouse, the value of all of the QDOTs is aggregated in determining whether the \$2 million threshold is exceeded.

Personal Residence

For the purpose of (1) figuring the \$2 million threshold, and (2) determining the amount of any bond or letter of credit, the executor of the decedent's estate may elect to exclude up to \$600,000 in the value of real property that meets the following requirements.

- It is used by or held for the use of the surviving spouse as a personal residence.
- It is owned directly by the QDOT.
- It passed or was treated as passing to the QDOT under the rules for the marital deduction when the surviving spouse is not a U.S. citizen (section 2056(d)(2)(B)).

The \$600,000 may include the value of any related furnishings.

Either election may have been made by the executor on the estate tax return for the decedent's estate. The election to exclude the personal residence amount from the amount of the bond or letter of credit may also be made prospectively

by the U.S. trustee by attaching a statement to Form 706-QDT claiming the exclusion. This election, whether made by the executor or by a trustee, may be canceled by attaching such a statement to Form 706-QDT.

Filing a Bond or Letter of Credit

If the bond or letter of credit arrangement is selected, the executor must have filed the bond or letter of credit with the Form 706 or 706-NA on which the QDOT election is made.

The U.S. trustee must provide a written statement with the bond or letter of credit listing the assets that will fund the QDOT, the values of the assets, and whether any exclusion for a personal residence is being claimed.

Additional Information

For more information, including additional requirements for a bond and letter of credit, details on the exclusion of a personal residence, rules on the disallowance of the marital deduction for substantial undervaluation of QDOT property, rules regarding foreign real property, and certain annual reporting requirements (concerning ownership of foreign real property, cessation of use of a personal residence, and look-through rules applied to the ownership of foreign real property), see Regulations section 20.2056A-2(d).

How To Complete Form 706-QDT

Trustee Filing the Return

If the trustee is filing the complete return, prepare it in the following order.

1. Part I—General Information.
2. Part II—Elections by the Trustee/Designated Filer.
3. All of Schedule B (but only lines 1a and 1b of Part I).
4. Schedule A.
5. Part III—Tax Computation.

Enter only the totals from Parts II through V of Schedule B in the corresponding "Total" lines of Schedule A.

Trustee Completing Schedule B Only

If a designated filer will file the return, the trustee must complete all applicable parts of Schedule B for their respective trust and provide it to the designated filer at least 60 days before the due date for filing Form 706-QDT.

Designated Filer Filing the Return

The designated filer must receive a completed Schedule B from the trustee of every QDOT that has had a reportable event or a hardship distribution during the tax year. The designated filer would then summarize these on Schedule A.

Complete the return in the following order.

1. Part I—General Information.
2. Part II—Elections by the Trustee/Designated Filer.
3. Schedule A.
4. Part III—Tax Computation.

Attach each Schedule B to the return when you file it.

If there is not enough space on a schedule to list all the items, attach additional copies of the schedule, as applicable.

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Rounding Off to Whole Dollars

You may round off cents to whole dollars on the return and schedules. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 cents to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

Specific Instructions

Part I—General Information

If trustee files entire return. If the trustee is filing the entire return, enter the trustee's information on lines 2a, 2b, 2c, 2d, 2e, 2f, and 2g.

Line 2b

If the trustee/designated filer is an individual, enter their SSN. Otherwise, enter the employer identification number (EIN) of the trustee/designated filer.

Line 2c, 2d, 2e, 2f, and 2g

Enter the address at which you wish to receive correspondence from the IRS regarding this return. This must be an address for the designated filer, or if the trustee is filing the return, one of the individual trustees who is a U.S. citizen or a trustee that is a domestic corporation.

Line 3b

Enter the taxpayer identification number (TIN) of the surviving spouse. The TIN is the SSN or ITIN.

Line 4a

Enter the name of the decedent on whose estate tax return the QDOT election was made.

Line 4b

Enter the SSN of the decedent or, if applicable, the number previously assigned to the decedent's estate by the service center.

Part II—Elections by the Trustee/ Designated Filer

If this return is being filed because of the death of the surviving spouse, and any property remaining in the QDOT at that time is includible in the estate of the surviving spouse (or would be includible if the surviving spouse had been a U.S. citizen or resident), then the trustee/designated filer may elect to apply certain estate tax benefits on this return, provided the estate of the surviving spouse would be eligible for these benefits.

Line 1. Alternate Valuation

Unless you elect at the time you file this return to adopt alternate valuation under section 2032, then you must value all property of all trusts listed on Schedule A, columns (e) and (f), on the date of the surviving spouse's death.

Note. You may not elect alternate valuation for any property reported on Schedule A, columns (b) and (d).

You may not elect alternate valuation unless the election will decrease both the value of the Schedule A, columns (e) and (f) property, and the net tax due on the return.

A designated filer filing for multiple trusts must make this election for all of the Schedule A, columns (e) and (f) property

in all of the trusts, taken as a whole. The election cannot be made unless the requirements are met for all of the property.

You elect alternate valuation by checking "Yes" on line 1 and filing Form 706-QDT. Once made, the election is irrevocable.

If you elect alternate valuation, you must value all of the property to which the election applies as of the applicable date as follows.

- Any property distributed, sold, exchanged, or otherwise disposed of by any method within 6 months after the surviving spouse's death is valued on the date of distribution, sale, exchange, or other disposition, whichever occurs first. Value the property on the date title passed as a result of the sale, exchange, or other disposition.
- Any property not distributed, sold, exchanged, or otherwise disposed of within the 6-month period is valued on the date 6 months after the date of the surviving spouse's death.
- Any property that is "affected by mere lapse of time" is valued as of the date of the surviving spouse's death. However, you may change the date of death value to account for any change in value that is not due to "mere lapse of time" on the date of its distribution, sale, exchange, or other disposition.

For additional details, see *Part III—Elections by the Executor* in the separate Instructions for Form 706.

Line 2. Special Use Valuation of Section 2032A

Under section 2032A, you may elect to value certain farm and closely held business real property at its farm or business use value rather than its FMV. You may elect both special use valuation and alternate valuation. To elect this valuation, you must check "Yes" on line 2 and complete and attach Schedule T (Form 706) and its required additional statements.

 You must file Schedule T (Form 706) and its required attachments with Form 706-QDT for this election to be valid.

The total value of the property valued under section 2032A may not be decreased from FMV by more than \$1,420,000 for decedents dying in 2025. For later years, the IRS will publish the amount in an annual revenue procedure.

Real property may qualify for the section 2032A election if:

- The real property is located in the United States,
- The real property is used for farming or in a trade or business,
- The real property was acquired from or passed from the surviving spouse to a qualified heir of the surviving spouse,
- The real property was owned and used in a qualified manner by the surviving spouse or a member of the surviving spouse's family for 5 of the 8 years before the surviving spouse's death, and
- The qualified property is the percentage of the surviving spouse's gross estate specified in section 2032A.

For definitions and additional information, see section 2032A and the related regulations. Also see *Part*

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III—Elections by the Executor and the Instructions for Schedule T (Form 706), in the Instructions for Form 706.

Line 3. Installment Payments

If the gross estate includes an interest in a closely held business, you may be able to elect to pay part of the estate tax in installments under section 6166.

The maximum amount that can be paid in installments is that part of the estate tax that is attributable to the closely held business. See *Determine how much of the estate tax may be paid in installments under section 6166* under Line 3. Section 6166 *Installment Payments* in the separate Instructions for Form 706. In general, that amount is the amount of tax that bears the same ratio to the total estate tax that the value of the closely held business included in the gross estate bears to the adjusted gross estate.

If you check this line to make a protective election, you should attach a notice of protective election as described in Regulations section 20.6166-1(d).

If you check this line to make a final election, you should attach the notice of election described in Regulations section 20.6166-1(b).

In computing the adjusted gross estate under section 6166(b)(6) for purposes of determining whether an election may be made under section 6166, the net amount of any real estate in a closely held business must be used.

For definitions and additional information, see section 6166 and the related regulations. Also see the Form 706 instructions for Part III—Elections by the Executor and Line 3. Section 6166 *Installment Payments* for a worksheet on how to calculate the amount of tax which may be paid in installments under section 6166.

Bond or lien. The IRS may require that an estate furnish a surety bond when granting the installment payment election. In the alternative, the executor may consent to elect the special lien provisions of section 6324A in lieu of the bond. The IRS will contact you regarding the specifics of furnishing the bond or electing the special lien. The IRS will make this determination on a case-by-case basis, and you may be asked to provide additional information.

If you elect the lien provisions, section 6324A requires that the lien be placed on property having a value equal to the total deferred tax plus 4 years of interest. The property must be expected to survive the deferral period, and does not necessarily have to be property of the estate. In addition, all of the persons having an interest in the designated property must consent to the creation of this lien on the property pledged.

Line 4. Spousal Election

If the surviving spouse has become a U.S. citizen, the QDOT tax will not apply to any distributions made after the surviving spouse became a citizen as long as either:

- The surviving spouse had been a U.S. resident at all times after the death of the decedent and before becoming a citizen, or
- No QDOT tax had been imposed on any distributions prior to the surviving spouse becoming a citizen.

You should file a final Form 706-QDT to notify the IRS that the QDOT tax no longer applies for this reason.

If the surviving spouse does not meet either of the conditions above, the QDOT tax will still not apply to

distributions after the surviving spouse becomes a citizen if the surviving spouse elects both:

- To treat any distributions that were subject to QDOT tax as taxable gifts for purposes of determining the estate or gift tax under sections 2001 and 2501, respectively, for the year the surviving spouse became a citizen and all subsequent years; and
- To treat any of the decedent's unified credit (applicable credit amount) that was used to reduce the QDOT tax on taxable distributions as use of the surviving spouse's own unified credit for purposes of determining the spouse's available unified credit under section 2505 for the year the surviving spouse became a citizen and for all subsequent years.

To make these elections, check "Yes" on line 4 and attach notification of the election to this return.

Schedule B

Part I—General Information

If the trustee is filing the entire return, the trustee needs to complete the following parts of Schedule B.

- Schedule B, Part I, lines 1a and 1b.
- Schedule B, all of Parts II through V.

When completing Part I on page 1, enter the remaining trustee's information on lines 2a, 2b, 2c, 2d, 2e, 2f, and 2g.

Line 1b

All trusts filing Form 706-QDT must have an EIN. If you don't have an EIN, you may apply for one online by visiting the IRS website at [IRS.gov/EIN](https://www.irs.gov/ein). You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If the EIN has not been received by the filing time for Form 706-QDT, write "Applied for" on line 1b.

Line 2a

You must enter on this line either the name of an individual trustee who is a U.S. citizen or a trustee that is a domestic corporation. If there is more than one trustee, enter the one to be contacted by the IRS. List the names of all additional trustees on a sheet of paper attached to this return. Include the SSN or EIN of all U.S. citizens or domestic corporations.

Line 2b

Enter the SSN or EIN, as applicable, of the trustee listed on line 2a.

Part II—Taxable Distributions

Columns (a) and (b), Prior Years Taxable Distributions

Enter on columns (a) and (b) the total of all taxable distributions that were or should have been reported on previously filed Forms 706-QDT.

If there is not enough space to list all prior years taxable distributions, attach additional copies of Schedule B, Part II, columns (a) and (b).

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Columns (c) through (g), Current Year Taxable Distributions

You must report on columns (c) through (g) the total amount of corpus distributed during the calendar year or other period covered by this return and before the date of death of the surviving spouse. Include as a distribution any QDOT estate tax paid during the calendar year out of the QDOT. Include all distributions even if the hardship exemption is being claimed.

Also, include as distributions in this part any reportable payments to the surviving spouse from nonassignable annuities and other arrangements when the executor has filed with the estate tax return for the decedent's estate an agreement to pay section 2056A estate tax on such distributions. For details, see Regulations section 20.2056A-4(c).

If there is not enough space to list all current year taxable distributions, attach additional copies of Schedule B, Part II, columns (c) through (g).

Column (c), date of distribution. The date of distribution is the date on which the title to the distributed property passed from the trustee to the surviving spouse.

Column (d), description. Include in the description the name of the individual(s) to whom the distribution was made.

Real estate. Describe the real estate in enough detail so that the IRS can easily locate it for inspection and valuation. For each parcel of real estate, report the location and, if the parcel is improved, describe the improvements. For city or town property, report the street number, ward, subdivision, block and lot, etc. For rural property, report the township, range, landmarks, etc.

Stocks. For stocks, give:

- Number of shares;
- Whether common or preferred;
- Issue;
- Par value, where needed for valuation;
- Price per share;
- Exact name of corporation;
- Principal exchange upon which sold, if listed on an exchange; and
- CUSIP number (defined below).

If the stock is unlisted, show the company's principal business office.

Bonds. For bonds, give:

- Quantity and denomination;
- Name of obligor;
- Date of maturity;
- Interest rate;
- Interest due date;
- Principal exchange, if listed on an exchange; and
- CUSIP number.

If the bond is unlisted, show the company's principal business office.

CUSIP number. The CUSIP (Committee on Uniform Security Identification Procedure) number is a nine-digit number that is assigned to all stocks and bonds traded on major exchanges and many unlisted securities. Usually, the CUSIP number is printed on the face of the stock certificate. If the CUSIP number is not printed on the certificate, it may be obtained through the company's transfer agent.

Other personal property. Any personal property distributed must be described in enough detail that its value can be ascertained by the IRS.

Column (e), value. The value of a distribution is its FMV on the date of distribution. FMV is the price at which the property would change hands between a willing buyer and a willing seller, when neither is forced to buy or to sell, and both have reasonable knowledge of all the relevant facts. FMV may not be determined by a forced sale price, nor by the sale price of the item in a market other than that in which the item is most commonly sold to the public. The location of the item must be taken into account whenever relevant.

Stocks and bonds. The FMV of a stock or bond (whether listed or unlisted) is the mean between the highest and lowest selling prices quoted on the valuation date. If only the closing selling prices are available, then the FMV is the mean between the quoted closing selling price on the valuation date and on the trading day before the valuation date. If there were no sales on the valuation date, figure the FMV as follows.

1. Find the mean between the highest and lowest selling prices on the nearest trading day before and the nearest trading day after the valuation date. Both trading days must be reasonably close to the valuation date.
2. Prorate the difference between the mean prices to the valuation date.
3. Add or subtract (whichever applies).

See the Instructions for Schedule B (Form 706), in the Instructions for Form 706 for additional information on valuing stocks and bonds.

Column (f), amount of hardship exemption claimed. Distributions to the surviving spouse on account of hardship are exempt from the QDOT tax. Enter in column (f) the amount of any distribution for which the hardship exemption is being claimed. Do not enter any amount here that has not been included in the amount listed in column (e). Also, if the surviving spouse is the beneficiary of more than one QDOT, you may not claim the hardship exemption unless the decedent's executor selected a designated filer. See [Designated Filer](#), earlier.

Part III—Taxable Property in Trust at Death of Surviving Spouse

You must report in Part III all property remaining in the QDOT on the date of death of the surviving spouse (or the date the trust failed to qualify as a QDOT, if applicable). This includes both corpus and undistributed income.

Interest accrued to the date of the surviving spouse's death on bonds, notes, and other interest-bearing obligations is property of the QDOT on the date of death. Rent accrued to the date of the surviving spouse's death on leased real and personal property is property of the QDOT on the date of death.

Outstanding dividends that were declared to stockholders of record on or before the date of the surviving spouse's death are considered property of the QDOT on the date of death. Ordinary dividends declared to stockholders of record after the date of the surviving spouse's death are not property of the QDOT on the date of death. However, if you have elected alternate valuation on line 1 of Part II, page 1, and dividends are declared to stockholders of record after the date of the surviving spouse's death so that the shares of

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stock at the later valuation date do not reasonably represent the same property at the date of the surviving spouse's death, include those dividends (except dividends paid from earnings of the corporation after the date of the surviving spouse's death) in the alternate valuation.

If there is not enough space to list all of the property, attach additional copies of Schedule B, Part III.

Column (a), Item No.

Assign a separate item number to each separate type of property. For example, you can include under a single item number all stock of the same issuer and type, but must list separate types (for example, preferred and common) under separate item numbers.

Column (b), Description

See the instructions under Part II—Taxable Distributions, [column \(d\), description](#), earlier.

Column (c), Alternate Valuation Date

If this return involves only one trust, enter the alternate valuation date only if you answered “Yes” to line 1 of Part II, page 1.

If the designated filer is filing this return for multiple trusts, the individual trustees will complete Part III, but only the designated filer can elect alternate valuation. To allow the designated filer to make this decision, the trustee must provide on an attachment to Schedule B both the regular and the alternate value (and the alternate valuation date) for all assets, unless the designated filer has notified the trustee that this is not required.

Column (d), Value

See the instructions under Part II—Taxable Distributions, [column \(e\), value](#), earlier.

Parts IV and V—Marital and Charitable Deductions

Marital and charitable deductions are allowable for any property that both remained in the QDOT on the date of the surviving spouse's death and was includible in the gross estate of the surviving spouse (or would have been includible if the surviving spouse had been a U.S. citizen or resident).

Do not make an entry in Parts IV and V unless there is an entry in Part III of Schedule B. Also, the sum of the total of the amounts entered in Parts IV and V cannot exceed the total of the amount entered in Part III of Schedule B.

For details on the marital and charitable deductions, see the instructions for Schedule M (Form 706) and Schedule O (Form 706), in the Instructions for Form 706, as applicable.

If there is not enough space to list all marital and charitable deductions, attach additional copies of Schedule B, Parts IV and V, as applicable.

Schedule A

When a designated filer is filing Form 706-QDT for more than one trust, use Schedule A to summarize the Schedule B amounts provided by the trustees. Under Schedule A,

column (c), EIN of QDOT, enter the EIN of the appropriate trust. If the trustee is filing the return, simply transfer the totals from Schedule B to the corresponding “Total” lines on Schedule A.

Part III—Tax Computation (Page 1 of Form 706-QDT)

Line 7

Enter the amount of the taxable estate from one of the following as filed for the decedent's estate or as finally determined by the IRS.

- Part 2—Tax Computation, line 3 of Form 706 (for estates of decedents dying before January 1, 2005).
- Part 2—Tax Computation, line 3c of Form 706 (for estates of decedents dying on or after January 1, 2005).
- Part II—Tax Computation, line 1 of Form 706-NA.

Lines 10 and 11

Using the same revision of Form 706 or Form 706-NA on which the executor filed the decedent's estate tax return, recompute the decedent's net estate tax by substituting the amounts on line 9 and line 8 of this Form 706-QDT for the decedent's taxable estate from one of the following.

- Part 2—Tax Computation, line 3 of Form 706 (for estates of decedents dying before January 1, 2005).
- Part 2—Tax Computation, line 3c of Form 706 (for estates of decedents dying on or after January 1, 2005).
- Part II—Tax Computation, line 1 of Form 706-NA.

Prior year versions of Forms 706 and 706-NA can be obtained by accessing the IRS website at [IRS.gov/Forms](#), or by calling 800-TAX-FORM (800-829-3676).

Note that as a result of the recomputation, some items other than the taxable estate might be different from what was on the decedent's actual estate tax return. If the decedent's estate did not fully use its unified credit, additional unified credit may be allowable in the recomputation.

If the decedent's estate claimed a credit for tax on prior transfers and the credit was limited by section 2013(c), the recomputed credit may be different than on the return as filed.

Also, if the decedent's estate claimed a credit for state death taxes (for decedents dying before January 1, 2005) or a credit for foreign death taxes and the amount of the credit that could be claimed was limited by section 2011(b) (prior to its repeal on January 1, 2005) or section 2014(b), respectively, the recomputed credit may be different.

If the final determination of the tax due on the estate of the decedent has not been made at the time this return is filed, you must figure the tax on these lines using the highest rate of tax (see [Table of Maximum Tax Rates](#), later) in effect at the time of the decedent's death.

Also, if there is more than one QDOT with respect to any decedent, you must figure the tax on lines 10 and 11 using the highest rate of tax (see [Table of Maximum Tax Rates](#), later) in effect at the time of the decedent's death unless all of the following conditions are met.

- The decedent's executor has designated a single person to be responsible for filing Form 706-QDT for all of the trusts (designated filer).
- The designated filer is either an individual who is a U.S. citizen or is a domestic corporation.

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- The designated filer meets the requirements of all applicable regulations.
- Further, if the return is being filed because of the death of the surviving spouse, then in figuring line 10, any foreign death taxes paid by the estate of the surviving spouse may be used in determining the allowable credits in recomputing the decedent's estate tax, if all of the following conditions are met.
1. This return is being filed because of the death of the surviving spouse.
 2. Any property remaining in the QDOT at that time is includible in the estate of the surviving spouse (or would be includible if the surviving spouse had been a U.S. citizen or resident).
 3. The credit is allowable (or would be allowable if the surviving spouse had been a U.S. citizen or resident) to the estate of the surviving spouse with respect to the property referred to in (2), above.
 4. The taxes were actually paid to a foreign jurisdiction.
- For details on claiming this credit, see the Instructions for Form 706. If you claim the foreign death tax credit, you must complete and attach Schedule P (Form 706).

Table of Maximum Tax Rates	
If the decedent died	The maximum tax rate is
After December 31, 2004, but before January 1, 2006	47%
After December 31, 2005, but before January 1, 2007	46%
After December 31, 2006, but before January 1, 2010	45%
After December 31, 2009, but before January 1, 2013	35%*
After December 31, 2012	40%
* Special rules can apply for 2010. For more information, see Pub. 4895, Tax Treatment of Property Acquired From a Decedent Dying in 2010.	

Line 14—Tax Due

Payments made to the federal government must be processed electronically. See [EO 14247, 90 FR 14001](#), for more information. There are two methods for making an electronic payment of estate or gift tax: (1) Electronic Federal Tax Payment System (EFTPS), or (2) Same-day wire payment. If you qualify for an exception, an alternative payment option (check or money order) may be permitted. See [Non-electronic payment exceptions](#), later, for more information.

EFTPS. Payment of the tax due may be submitted electronically through EFTPS. EFTPS is a free service of the Department of the Treasury.

To be considered timely, payments made through EFTPS must be completed no later than 8 p.m. Eastern time the day before the due date. All EFTPS payments must be scheduled

in advance of the due date and, if necessary, may be changed or canceled up to 2 business days before the scheduled payment date.

To get more information about EFTPS or to enroll in EFTPS, visit [EFTPS.gov](#) or call 800-555-4477. To contact EFTPS using Telecommunications Relay Service (TRS) for people who are deaf, hard of hearing, or have a speech disability, dial 711 and then provide the TRS assistant the 800-555-4477 number, above, or 800-733-4829. Additional information about EFTPS is available in Pub. 966, Electronic Federal Tax Payment System: A Guide to Getting Started.

Same-day wire. Payment of the tax due shown on Form 706 may be submitted electronically through same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

What you need to know about making a same-day wire payment.

- You do not need to enroll to make a same-day wire payment, and no PIN is needed.
- Your financial institution may charge a fee for this service.
- The cutoff time to make a same-day wire payment is 5 p.m. Eastern time. Your financial institution may have an earlier cutoff time.
- Download and complete page 1 of the Same-Day Taxpayer Worksheet, and provide pages 1 and 2 to your financial institution. See [How do I make an electronic payment under Frequently asked questions on estate taxes](#), on [IRS.gov](#) for the worksheet and more information.

- Non-electronic payment exceptions.** If you qualify for one of the exceptions below, a check or money order may still be permitted as a payment option.
1. Individuals who do not have access to banking services or electronic payment systems.
 2. Certain emergency payments where electronic disbursement would cause undue hardship, as contemplated in 31 C.F.R. Part 208.
 3. National security- or law enforcement-related activities where non-EFT transactions are necessary or desirable.
 4. Other circumstances as determined by the Secretary of the Treasury, as reflected in regulations or other guidance.

Note. If you don't qualify for one of the exceptions above, an electronic payment option must be used to make a payment. If you do qualify for an exception above, go to [IRS.gov/Payments/Pay-By-Check-Or-Money-Order](#) for details on what needs to go on the check to mail your payment.

Line 15—Overpayment

To the extent permitted by law, the Secretary of the Treasury will cease issuing paper checks for all federal disbursements. Direct deposit is available for this form. If there is an overpayment when filing your return, complete Part III, lines 15b, 15c, and 15d to input your direct deposit information. If you qualify for an exception, an alternative payment option (paper check) may be permitted. See [Non-electronic federal disbursement exceptions](#), later, for more information.



Why use direct deposit? You get your refund faster by direct deposit than you do by check. Payment is more secure. There is no check that can get lost or stolen. It is more convenient. You don't have to make a trip to

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the bank to deposit your check. It saves tax dollars. It costs the government less to refund by direct deposit. It's proven itself. Nearly 98% of social security and veterans' benefits are sent electronically using direct deposit.

Account must be in your name. Don't request a deposit of your refund to an account that isn't in your name. The number of refunds that can be directly deposited to a single account or prepaid debit card is limited to three a year. After this limit is reached, paper checks will be sent instead. Learn more at [IRS.gov/DepositLimit](https://www.irs.gov/DepositLimit).

Line 15a. If line 15a is under \$1, we will send a refund only on written request.

Line 15b. The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Ask your financial institution for the correct routing number to enter on line 15b if:

- The routing number on a deposit slip is different from the routing number on your checks,
- Your deposit is to a savings account that doesn't allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.

Line 15c. Check the appropriate box for the type of account. Don't check more than one box. You must check the correct box to ensure your deposit is accepted.

Line 15d. The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. Don't include the check number.

If the direct deposit to your account is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

Reasons your direct deposit will be rejected. If any of the following apply, your direct deposit request will be rejected and a check will be sent instead.

- You are asking to have a joint refund deposited to an individual account, and your financial institution(s) won't allow this. The IRS isn't responsible if a financial institution rejects a direct deposit.
- The name on your account doesn't match the name on the refund, and your financial institution(s) won't allow a refund to be deposited unless the name on the refund matches the name on the account.
- Three direct deposits of tax refunds already have been made to the same account or prepaid debit card.
- You haven't given a valid account number.
- Any numbers or letters on lines 15b through 15d are crossed out or whited out.



The IRS isn't responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the correct routing and account numbers and to make sure your direct deposit will be accepted.

Non-electronic federal disbursement exceptions. If you qualify for one of the exceptions below, a paper check may still be permitted as a federal disbursement option.

1. Individuals who do not have access to banking services or electronic payment systems.
2. Certain emergency payments where electronic disbursement would cause undue hardship, as contemplated in 31 C.F.R. Part 208.
3. National security- or law enforcement-related activities where non-EFT transactions are necessary or desirable.
4. Other circumstances as determined by the Secretary of the Treasury, as reflected in regulations or other guidance.

Note. If you don't qualify for one of the exceptions above, the direct deposit information must be entered on lines 15b, 15c, and 15d. If you do qualify for an exception above, leave lines 15b, 15c, and 15d blank.

Signature(s)

If the trustee is filing the return and there is more than one trustee listed, all listed trustees must verify the return. All trustees are responsible for the return as filed and are liable for penalties provided for erroneous or false returns.

The trustee/designated filer who files the return must, in every case, sign the declaration on page 1 under penalties of perjury. The trustee/designated filer may use Form 2848, Power of Attorney and Declaration of Representative, to authorize another person to act for the trustee/designated filer before the IRS.

Paid Preparer Use Only

Generally, anyone who is paid to prepare the return must sign the return in the space provided and fill in the *Paid Preparer Use Only* area.

A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use their valid preparer tax identification number (PTIN). In addition to signing and completing the required information, the paid preparer must give a copy of the completed return to the trustee/designated filer.