



Massachusetts Department of Revenue
Form M-706
Massachusetts Estate Tax Return

Name of decedent ▶	Date of death (mm/dd/yyyy) ▶	Social Security number ▶
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Street address at time of death

City/Town	State	Zip
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County of probate court	Case/docket number
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Name of executor/personal representative	Designation	Phone
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Street address

City/Town	State	Zip
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Name of attorney(s), if any, representing estate

Street address

City/Town	State	Zip
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Fill in if filed:

Form M-4768

Form M-4422

Fill in if:

Penalty waiver requested (attached)

Amended return (see "Amended Return" in instructions)

Amended return due to federal change

Note. The Massachusetts estate tax is computed using the Internal Revenue Code (IRC) in effect on December 31, 2000. Changes to the IRC enacted after December 31, 2000 do not affect the computation of the Massachusetts estate tax. All references to the U.S. Form 706 are to the form with a revision date of July 1999. This form and instructions are available at mass.gov/dor. All estates are required to submit a completed U.S. Form 706 with a revision date of July 1999 in addition to the Massachusetts Form M-706. If the estate is required to file a current U.S. Form 706, attach a copy of that return, with all attachments, in addition to the U.S. Form 706 with a revision date of July 1999 and the Massachusetts Form M-706. For Privacy Act Notice, see instructions.

STAPLE CHECK HERE

Declaration

The personal representative of the estate is personally liable for transfers of estate assets before all taxes are paid. The undersigned certifies under the penalties of perjury that all items and statements contained herein are true and accurate in every particular.

Signature	Title	Date
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File this return, with payment in full: **Massachusetts Department of Revenue, PO Box 7023, Boston, MA 02204.** Make check or money order payable to: **Commonwealth of Massachusetts.**



Name of decedent	Date of death (mm/dd/yyyy)	Social Security number
▶	▶	▶

1 Marital status at time of death: Single Married Widow or widower

1a Name of deceased spouse

1b Social Security number of deceased spouse

1c Date of death of deceased spouse (mm/dd/yyyy)

2 Fill in if there was any insurance on the decedent's life that is not included in the gross estate (attach Form(s) 712 for life insurance).

3 Fill in if at time of death the decedent owned any property as a joint tenant with rights of survivorship in which: one or more of the other joint tenants was someone other than the decedent's spouse and less than the full value of the property is included on the return as part of gross estate

4 Fill in if at time of death the decedent owned any interest in a partnership or unincorporated business or any stock in an inactive or closely held corporation

5 Fill in if the decedent made any transfer under Internal Revenue Code sections 2035, 2036, 2037 or 2038 in which an asset has been excluded from the gross estate.

6 Fill in if during the decedent's lifetime any gifts were made in excess of the annual exclusion.

6a Fill in if U.S. Form 709 was filed with the IRS.

7 Fill in if the estate elects to make a Qualified Terminable Interest Property (QTIP) deduction under Internal Revenue Code Section 2056(a).

8 Fill in if the decedent was ever the beneficiary of a QTIP trust for which a deduction was claimed by the estate of a pre-deceased spouse under Internal Revenue Code section 2056(b)(7) and which is not reported on this return.

9 Fill in if the estate elects alternate valuation

10 Fill in if the estate elects special use valuation

Part 1. Tentative Massachusetts estate tax

1 Total gross estate (from page 1, line 1 of U.S. Form 706 with a revision date of July 1999 or from Part 5, line 12 of this return) **1**

2 Total allowable deductions (from page 1, line 2 of U.S. Form 706 with a revision date of July 1999 or from Part 6, line 11 of this return). **2**

3 Subtract line 2 from line 1 **3**

4 Adjusted taxable gifts (from page 1, line 4 of U.S. Form 706 with a revision date of July 1999). **4**

5 Add lines 3 and 4 **5**

6 Credit for state death taxes (from page 1, line 15 of U.S. Form 706 with a revision date of July 1999) **6**

Part 2. Computation of tax for estate of Massachusetts resident decedent with property in another state

1 Total gross estate, wherever situated. Enter the amount from Part 1, line 1 **1**

2 Credit for state death taxes. Enter amount from Part 1, line 6 **2**

3 Estate or inheritance taxes actually paid to other states. **3**

4 Gross value of real estate and tangible personal property in other states **4**

5 Percentage of estate in other states. Divide line 4 by line 1. **Note:** Complete computation to six decimal places **5**

6 Prorated credit. Multiply line 2 by line 5. **6**

7 Deduction allowable for taxes paid to other states. Enter the smaller of line 3 or line 6 **7**

8 Massachusetts estate tax. Subtract line 7 from line 2. Enter here and in Part 4, line 1 **8**



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Part 3. Computation of tax for estate of nonresident decedent with Massachusetts property

- 1 Total gross estate, wherever situated. Enter the amount from Part 1, line 1 **1**
- 2 Credit for state death taxes. Enter the amount from Part 1, line 6 **2**
- 3 Gross value of real estate and tangible personal property in Massachusetts. Enter the total reported on Form M-NRA, line 26. Do not deduct the value of any mortgage or lien **3**
- 4 Percentage of estate in Massachusetts. Divide line 3 by line 1. **Note:** Complete computation to six decimal places **4**
- 5 Massachusetts nonresident estate tax. Multiply line 2 by line 4. Enter result here and in Part 4, line 1 **5**

Part 4. Massachusetts estate tax due

- 1 Massachusetts estate tax. Enter the amount from Part 1, line 6; Part 2, line 8; or Part 3, line 5, whichever applies **1**
- 2 Late file and/or late pay penalties **2**
- 3 Interest **3**
- 4 Total amount due. Add lines 1 through 3. **4**
- 5 Payments made with extension. Attach a copy of Form M-4768 **5**
- 6 Other amounts previously paid. Attach copies of any prior filings with payment dates and amounts **6**
- 7 Total payments. Add lines 5 and 6. **7**
- 8 Overpayment. If line 4 is smaller than line 7, subtract line 4 from line 7. This is the amount of your refund. If line 4 is larger than line 7, omit line 8 and complete line 9. If lines 4 and 7 are equal, enter "0" in line 8 and omit line 9 **8**
- 9 Balance due. If line 4 is larger than line 7, subtract line 7 from line 4. This is the amount of the payment due at time of filing **9**

Part 5. Total gross estate. Schedule references are to the schedules of the U.S. Form 706 with a revision date of July 1999 which must be completed and submitted with this return whether or not a current federal estate tax return, U.S. Form 706, is required to be filed.

	Alternate value	Value at date of death
1 Schedule A: Real estate. 1	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
2 Schedule B: Stocks and bonds 2	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
3 Schedule C: Mortgages, notes, and cash 3	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
4 Schedule D: Insurance on decedent's life (attach Form(s) 712). 4	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
5 Schedule E: Jointly owned property (attach Form(s) 712 for life insurance) 5	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
6 Schedule F: Other miscellaneous property (attach Form(s) 712 for life insurance). 6	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
7 Schedule G: Transfers during decedent's life (attach Form(s) 712 for life insurance) 7	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
8 Schedule H: Powers of appointment 8	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
9 Schedule I: Annuities 9	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
10 Total gross estate (add lines 1 through 9). 10	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
11 Schedule U: Qualified conservation easement exclusion. 11	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
12 Total gross estate less exclusion (subtract line 11 from line 10). Enter here and on line 1 of Part 1, Tentative Massachusetts estate tax 12	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>



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Part 6. Total allowable deductions. Schedule references are to the schedules of the U.S. Form 706 with a revision date of July 1999 which must be completed and submitted with this return whether or not a current federal estate tax return, U.S. Form 706, is required to be filed.

- 1** Schedule J: Funeral expenses and expenses incurred in administering property subject to claims **1**
- 2** Schedule K: Debts of the decedent **2**
- 3** Schedule K: Mortgages and liens **3**
- 4** Add lines 1 through 3 **4**
- 5** Amount of allowable deduction from line 4 (see IRC Section 2053(c)) **5**
- 6** Schedule L: Net losses during administration **6**
- 7** Schedule L: Expenses incurred in administering property not subject to claims **7**
- 8** Schedule M: Bequests, etc. to surviving spouse. **8**
- 9** Schedule O: Charitable, public and similar gifts and bequests. **9**
- 10** Schedule T: Qualified family-owned business interest deduction. **10**
- 11** Total allowable deductions (add lines 5 through 10). Enter here and on line 2 of Part 1, Tentative Massachusetts estate tax **11**



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Part 7. Real estate subject to Massachusetts estate tax lien. Complete the table below for each property in which the decedent had an interest.

	a. Property street address	b. City/town	c. Zip code
1.			
d. Certificate of title number	e. Date of deed (mm/dd/yyyy)	f. Registry in which deed was recorded	h. Page number of deed
2.	a. Property street address	b. City/town	c. Zip code
d. Certificate of title number	e. Date of deed (mm/dd/yyyy)	f. Registry in which deed was recorded	h. Page number of deed
3.	a. Property street address	b. City/town	c. Zip code
d. Certificate of title number	e. Date of deed (mm/dd/yyyy)	f. Registry in which deed was recorded	h. Page number of deed
4.	a. Property street address	b. City/town	c. Zip code
d. Certificate of title number	e. Date of deed (mm/dd/yyyy)	f. Registry in which deed was recorded	h. Page number of deed



Form M-706 Instructions

General Information

Major Estate Tax Law Change

Effective for dates of death on or after January 1, 1997 and prior to January 1, 2003, the Massachusetts estate tax is imposed only on those estates that are subject to federal estate tax filing requirements. M.G.L. c. 65C, s. 2A. Since the tax is based on the credit for state death taxes allowable on the federal estate tax return, taxes that would otherwise be paid to the federal government will be paid to Massachusetts.

Massachusetts Filing Requirements

The executor of a decedent domiciled in Massachusetts on the date of his or her death must file a Massachusetts Resident Estate Tax Return (Form M-706) if a federal estate tax return (U.S. Form 706) is required to be filed.

For purposes of the Massachusetts estate tax, an executor is defined as the executor or administrator of the decedent's estate, or, if there is no executor or administrator appointed, qualified and acting within the Commonwealth, then any person in actual or constructive possession of any property of the decedent. M.G.L. c. 65C, s. 6(a).

The executor of a nonresident decedent who owned or transferred real estate or tangible personal property located in Massachusetts must file a Massachusetts Nonresident Estate Tax Return and Domicile Affidavit (Form M-706NR). Special rules apply for citizens and noncitizens who are nonresidents of the United States and have property taxable in Massachusetts; contact the Estate Tax Unit for instructions as Form M-706NR is not applicable to these estates.

Due Dates and Extensions

The Massachusetts estate tax return and payment must be filed within nine months after the date of the decedent's death. An executed copy of the federal estate tax return, U.S. Form 706, must be filed with this return. Extensions of time to pay (Form M-4768A) and file (Form M-4768) must be requested prior to the due date. If extensions have been granted, attach copies of Form M-4768 and/or Form M-4768A to the Form M-706 when filing.

Payment of Tax

The estate's executor signing the return is personally liable for payment of any tax shown on the return if it is not otherwise paid. The return and the tax payment should be sent to the **Massachusetts Estate Tax Unit, PO Box 7023, Boston, MA 02204**.

Penalties and Interest

Interest on any unpaid tax accrues from the original due date of the return. The penalty for failure to file Form M-706 by the due date, or within an authorized extension of time, is 1% per month (or fraction thereof) to a maximum of 25% of the tax as finally determined to be due. The penalty for failure to pay the tax reported as due on Form M-706, by the due date, or within an authorized extension of time, is 1% per month (or fraction thereof) to a maximum of 25%.

Report of Federal Estate Tax Changes

An amended M-706 must be filed within two months of receipt of a final determination (for example, the federal closing letter, agreed upon federal audit charges, agreed upon IRS Appeals Office

changes, Tax Court decision, etc.) of federal estate tax change. Attach a copy of the final federal determination and pay any additional Massachusetts estate tax due as a result of the change. If a refund is indicated as a result of the federal estate tax change and a Massachusetts Estate Tax Closing Letter has previously been issued, in addition to this form, an Application for Abatement (Form CA-6) must be filed within one year of receipt of the final federal determination.

Massachusetts Estate Tax Lien on Real Estate

The Commonwealth automatically acquires a lien against all Massachusetts real estate includible in a decedent's gross estate. Unless the tax is paid in full, the lien is valid for 10 years from the decedent's date of death. M.G.L. c.65C, s. 14.

Release of Lien — Massachusetts Filing Requirement

When a Massachusetts Resident Estate Tax Return is required to be filed to obtain a release of this lien, an executor must file Form M-706. The filing must be accompanied by Form M-792, Certificate Releasing Massachusetts Estate Tax Lien, completed in triplicate, a copy of the recorded deed or certificate of title that created the decedent's interest and an executed copy of the federal estate tax return, U.S. Form 706.

When a sale of real estate or a mortgage commitment is pending, the Estate Tax Unit will expedite the release of estate tax lien. The estate may request the release of lien on Form M-4422, Application for Release of Estate Tax Lien, if (1) the date for filing the estate tax return has not yet passed, and (2) Form M-706 cannot be completed prior to the date of the sale, and (3) a Massachusetts estate tax will be due.

Release of Lien — No Massachusetts Filing Requirement

If a Massachusetts Estate Tax Return is not required to be filed because the size of the estate does not equal or exceed the federal filing threshold, an affidavit of the executor, subscribed to under the pains and penalties of perjury, recorded in the registry of deeds, and stating that the gross estate of the decedent does not necessitate the filing of a federal estate tax return will release the lien.

For further information, see Technical Information Release 98-14, Release of Estate Tax Lien on Real Estate for Dates of Death on or after January 1, 1997.

Line-by-Line Instructions

Line 1. Enter the total value of the decedent's gross estate for federal estate tax purposes from U.S. Form 706, page 1, line 1. Do not reduce the gross value by the amount of any property subject to a power of appointment upon which an inheritance tax on future interests has been settled and paid pursuant to M.G.L. c. 65, s. 14.

Line 2. Enter the maximum state death tax credit allowable for federal estate tax purposes from U.S. Form 706, page 1, line 15.

Line 3. Enter the amount of taxes paid to other states qualifying for the federal estate tax state death tax credit. Attach documentation of the amount paid.



Line 4. Enter the gross value of real estate and tangible personal property situated in other states. Do not reduce the gross value by the amount of any mortgages, liens or debts. Attach a schedule of non-Massachusetts property or identify on the attached U.S. Form 706.

Estate Tax Information

For further estate tax information, please call (617) 887-MDOR or (800) 392-6089.