

# MAINE ESTATE TAX FORM 706ME

## WORKSHEET 706C

For estates containing taxable gifts and/or Maine elective property

Enclose this completed worksheet with Form 706ME.

1. Federal gross estate (federal Form 706, Part 2, line 1).....1. \_\_\_\_\_
  
2. Value of property included in line 1 that is taxable by Maine.....2. \_\_\_\_\_
  
3. Gross value of Maine elective property (enter here and on  
Form 706ME, line 4F).....3. \_\_\_\_\_
  
4. Value of property included in line 3 that is taxable by Maine.....4. \_\_\_\_\_
  
5. Adjusted taxable gifts (federal Form 706, Part 2, line 4).....5. \_\_\_\_\_
  
6. Value of gifts included in line 5 made within one year of the  
date of death (Enter here and on Form 706ME, line 4D) .....6. \_\_\_\_\_
  
7. Value of gifts included in line 6 that are taxable by Maine.....7. \_\_\_\_\_
  
8. Maine gross estate (lines 1 + 3 + 6. Enter here and on  
Form 706ME, line 2).....8. \_\_\_\_\_
  
9. Modified Maine taxable property (lines 2 + 4 + 7. Enter here and on  
Form 706ME, line 1).....9. \_\_\_\_\_
  
10. Tentative taxable estate (federal Form 706, Part 2, line 3a).....10. \_\_\_\_\_
  
11. Maine tentative taxable estate (line 6 + line 10. Enter here and on  
Form 706ME, line 4A) .....11. \_\_\_\_\_
  
12. Maine adjusted taxable gifts (line 5 - line 6. Enter here and on  
Form 706ME, line 4B) .....12. \_\_\_\_\_

# INSTRUCTIONS

**Who must use this worksheet.** Estates with taxable gifts (gifts in excess of the federal gift tax exclusion) and/or Maine elective property must complete and submit this worksheet.

Beginning with estates of 2009 decedents, Maine estate tax is applied to taxable gifts made within one year of death. Taxable gifts are those gifts that exceed the annual federal gift tax exclusion. Maine includes in the taxable estate the value of gifts included on the federal estate tax return (Form 706, line 4) that were made within one year of the date of death. This value of gifts may be included (or includible) in more than one federal gift tax return (Form 709). For example, if a person dies on August 5, 2009, the Maine taxable estate would include the taxable gifts entered on the 2008 gift tax return (or would have been entered if a return was filed) that were made between August 6, and December 31 plus the taxable gifts made between January 1, 2009 and August 5, 2009.

For decedents with surviving spouses, Maine allows an estate tax deduction for assets that may be qualified terminable interest property (“QTIP”) under IRC section 2056(b)(7), but a QTIP election is not made on that property for federal estate tax purposes. The Maine QTIP (“MEQTIP”) election defers taxation of the MEQTIP property to the death of the decedent’s spouse (second decedent spouse). The second decedent spouse’s estate tax return must include the value at the time of death of the second spouse of any remaining MEQTIP property. This amount is called Maine elective property. All holdings, including cash, securities, as well as real estate and tangible personal property that constitute Maine elective property must be included in the estate tax return.

This worksheet assists the calculation of the correct Maine estate tax when taxable gifts and Maine elective property are involved. If this estate contains Maine elective property or taxable gifts, this worksheet must be included with the Maine estate tax return. This worksheet must be completed in order to correctly calculate the Maine estate tax. For more information, see the MRS guidance document on estate tax and MRS Rule 601. Both documents are available at [www.maine.gov/revenue](http://www.maine.gov/revenue).

## SPECIFIC INSTRUCTIONS

**Line 1.** Federal gross estate. Enter on this line the amount from federal Form 706, part 2, line 1.

**Line 2.** Value of property included in line 1 that is taxable by Maine.

For Maine **resident estates**, enter line 1 less the value of real and tangible personal property located outside of Maine.

For **nonresident estates**, enter the value, included in line 1, of all real and tangible personal property located in Maine and personally owned by the decedent. This includes Maine real and tangible personal property transferred to trusts, LLCs or other pass-through entities.

**Line 3.** Gross value of Maine elective property. The value of Maine elective property is the value of any remaining assets contained in the MEQTIP that was previously claimed on the predeceased spouse’s Maine estate tax return. This line must include the value of the remaining property regardless of location or type (tangible or intangible). The property is valued at the date of death of the decedent on this return (unless the alternate valuation date is used for all other assets in the estate).

**Line 4.** Value of property included in line 3 that is taxable by Maine.

For Maine **resident estates**, enter line 3 less the value of real and tangible personal property located outside of Maine.

For **nonresident estates**, enter the value, included in line 3, of all real and tangible personal property located in Maine and personally owned by the decedent. This includes Maine real and tangible personal property transferred to trusts, LLCs or other pass-through entities. Include proceeds from the sale of property under 36 MRSA § 4064-A(2).

**Line 5.** Adjusted taxable gifts. Enter on this line the amount from federal Form 706, part 2, line 4 (adjusted taxable gifts).

**Line 6.** Value of gifts included in line 5 made within one year of the date of death. Enter the total value of gifts completed in the 365 day period ending on the date of death of the decedent. Beginning with deaths in 2009, this amount is now included in the taxable estate.

**Line 7.** Value of gifts included in line 6 that are taxable by Maine. Attach copies of the appropriate federal Form 709.

For Maine **resident estates**, enter line 6 less the value of real and tangible personal property located outside of Maine at the time of the gift.

For **nonresident estates**, enter the value, included in line 6, of all real and tangible personal property located in Maine and personally owned by the decedent at the time of the gift. This includes Maine real and tangible personal property transferred to trusts, LLCs or other pass-through entities. Include proceeds from the sale of property under 36 MRSA § 4064-A(2).

**Line 8.** Maine gross estate. This line must include the federal gross estate plus Maine elective property plus taxable gifts made within one year prior to date of death. Add lines 1, 3, and 6 and enter the total here and on Maine Form 706ME, line 2.

**Line 9.** Modified Maine taxable property. This line includes the amount in line 8 that is taxable to Maine. Add lines 2, 4, and 7 and enter the total here and on Maine Form 706ME, line 1.

**Enclose this completed worksheet with Form 706ME.**