

# WORKSHEET 706C

## To complete Form 706ME for estates containing Maine elective property

1. Federal gross estate (federal Form 706, Part 2, line 1).....1. \_\_\_\_\_
2. Amount of property taxable by Maine included in line 1 above.....2. \_\_\_\_\_
3. Gross value of Maine elective property (enter here and on Form 706ME, line 4E).....3. \_\_\_\_\_
4. Amount of property taxable by Maine included in line 3 above.....4. \_\_\_\_\_
5. Modified federal gross estate (line 1 + line 3. Enter here and on Form 706ME, line 2) .....5. \_\_\_\_\_
6. Modified Maine taxable property (line 2 + line 4. Enter here and on Form 706ME, line 1) .....6. \_\_\_\_\_
7. Federal adjusted taxable gifts (from federal Form 706, line 4).....7. \_\_\_\_\_
8. Taxable gifts and Maine elective property (line 3 + line 7. Enter here and on Form 706ME, line 4B) .....8. \_\_\_\_\_

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### INSTRUCTIONS

For decedents with surviving spouses, Maine allows a separate estate tax deduction for assets that are qualified terminable interest property (“QTIP”) under IRC section 2056(b)(7), when a QTIP election is not made for federal estate tax purposes. The QTIP election defers taxation of the value of that election to the death of the decedent’s spouse (second decedent spouse). The second decedent spouse’s estate tax return must include the current value of any remaining Maine QTIP property on this line. 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. **If this estate contains Maine elective property, this worksheet must be included with the Maine estate tax return.**

For estates containing Maine elective property, Form 706ME, lines 1, 2 and 4B must include the value of that property. This worksheet must be completed in order to correctly calculate the Maine estate tax.

**Line 2.** For Maine **resident estates**, include the amount on 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 vehicles.

**Line 3.** The value of Maine elective property is the current value of any remaining property contained in the QTIP 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.** For Maine **resident estates**, include the amount on 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 vehicles.

**Line 8.** The federal taxable gifts and Maine elective property total is used only to determine whether the threshold for Maine taxability of an estate has been exceeded. Maine does not tax prior taxable gifts. Although Maine elective property is included on Form 706ME, line 4E, it should also be included in this line in order to determine the taxable threshold of the estate. Form 706ME, line 4B is not included in the taxable estate.