

2011 Estate Tax Form M706 Instructions

For estates of decedents whose dates of death are in calendar year 2011

Questions?

You can find forms and information, including answers to frequently asked questions and options for paying electronically, on our website at:

www.revenue.state.mn.us

Send us an email at:

BusinessIncome.tax@state.mn.us

Call us at:

651-556-3075

Weekdays, 8 a.m. to 4:30 p.m.

TTY: 711 Minnesota Relay

Or write to:

Minnesota Revenue
Mail Station 1315
St. Paul, MN 55146-1315

Forms You May Need

M706	Estate Tax Return
M706Q	Election to Claim the Qualified Small Business and Farm Property Deduction
PV47	Estate Tax Return Payment Voucher
PV86	Estate Tax Extension Payment Voucher
PV69	Amended Estate Tax Payment

Need Forms?

Go to **www.revenue.state.mn.us** to download forms and other information, including:

- Estate Tax Fact Sheet 2, Qualified Small Business Property and Qualified Farm Property Deduction
- Revenue Notice regarding the alternative value, special use valuation and administrative deductions

We'll provide information in another format upon request to persons with disabilities.

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What's New

Qualified small business and farm property deduction. For decedents dying after June 30, 2011, a deduction is available from the Minnesota adjusted taxable estate if the decedent owned qualified small business or qualified farm property and passed that property at death to a qualified heir. The deduction cannot exceed \$4 million and qualified heirs must pay a recapture tax if a qualified heir fails to own the property or if a family member fails to use the property for a qualified use during the three years after the decedent's death. To claim the election, the executor and heirs must complete and attach Schedule M706Q, *Election to Claim the Qualified Small Business and Farm Property Deduction*.

For additional information, see *Estate Tax Fact Sheet 2, Qualified Small Business Property and Qualified Farm Property Deduction*.

Notification. Within nine months of the filing of Form M706, the department will send the executor notification indicating whether the return is under examination or has been processed as final.

Filing Requirements

If the decedent was a resident of Minnesota at the time of death, the estate is required to file Form M706 if the federal gross estate exceeds \$1 million on the date of death or if the estate is required to file a federal estate tax return.

If the decedent was a nonresident of Minnesota, the estate is required to file Form M706 if Minnesota situated property is included in the federal gross estate and either the federal gross estate exceeds \$1 million on the date of death or the estate is required to file a federal estate tax return.

The federal gross estate is determined by completing the federal Form 706 (see *You Must First Complete Federal Form 706* on page 4).

(M.S. 289A.10, *subd.* 1)

Who Must File?

If the decedent's estate is being probated, the Probate Court or Probate Registrar will appoint someone as personal representative — also called executor or administrator — of the decedent's estate. That person is then responsible for filing Form M706 for the estate.

In some cases, the Probate Court or Probate Registrar will appoint more than one person as executor. In such cases, all persons who have been appointed as executors are jointly responsible for filing the return.

If the estate is not being probated, all persons who will receive assets included in the decedent's federal gross estate (line 1 of federal Form 706) are responsible for filing the Minnesota return. If more than one person will receive the assets, all persons receiving the assets should choose a mutually agreeable person among them to file the estate tax returns. If one person cannot be agreed on, each person must file a Minnesota return for the decedent's estate. Each person must include on the return not only the assets he or she is receiving, but also all of the decedent's assets being received by other persons and the names of the other persons.

(M.S. 289A.10 and M.S. 291.12)

Who Must Pay?

The executor is responsible for paying the Minnesota estate tax.

However, if the assets were distributed without reserving enough to pay the various taxes, the executor and beneficiaries are personally responsible for payment to the extent of the value of assets distributed or received respectively.

(M.S. 270C.585 and M.S. 291.12)

Deadline for Filing

The regular due date for filing Form M706 is nine months after the date of death.

(M.S. 289A.18, *subd.* 3)

Filing extensions. The automatic extended due date for filing Form M706 is 15 months after the date of death or the amount of time granted by the Internal Revenue Service (IRS) to file the federal estate tax return, whichever is longer. (M.S. 289A.19, *subd.* 4)

Any tax not paid by the regular due date is subject to penalties and interest (see *Penalties* on page 2).

Deadline for Paying

The Minnesota estate tax must be paid no later than nine months after the date of death of the decedent.

If good cause exists, the department may extend the time for payment for a period of not more than six months. To request a payment extension, submit your request in writing to the department prior to the regular due date.

(M.S. 289A.20, *subd.* 3)

Continued

General Information (continued)

It may also be possible to pay the tax in installments if the estate meets the requirements explained in *Paying Tax in Installments* below.

Paying Tax in Installments

If the Minnesota estate tax is \$5,000 or more and the IRS, under IRC sections 6161 or 6166, has granted the estate an extension of time to pay the federal estate tax, the estate may pay the Minnesota estate tax in installments if the requirements explained below are met.

To be allowed to pay the Minnesota estate tax in installments, the executor must notify the commissioner in writing no later than nine months after the date of death of the decedent. The letter must indicate that the estate will pay the Minnesota estate tax in installments and the dates the payments will be made. The dates must be the same as the dates on which the federal estate tax installments will be made.

The installments — not including interest owed — must be made in equal amounts.

If you are paying the federal estate tax in installments and you wish to pay the Minnesota estate tax in installments, check the box above line 1.

Even if you pay the tax in installments, you must pay interest on any tax that remains unpaid after nine months from the date of death of the decedent. The rate of interest on each installment will be the interest rate in effect during that annual period. (M.S. 289A.55, *subd.* 7)

The amount of interest to include with each installment must be figured separately. Follow the steps below to determine the interest to include with each installment:

- 1 Determine the number of days from the last payment due date (return or installment) to date of payment or Dec. 31, whichever is earlier.
- 2 Divide step 1 by 365, and round the result to five decimal places.
- 3 Multiply step 2 by the interest rate in effect for that year (see *Interest* on page 3).
- 4 Multiply step 3 by the tax still due.
 - If the due date is in the same year that you're making your payment, stop here. The result in step 4 is the interest you must include with your installment.
 - If your payment was due in one year and you're making the installment in the next calendar year, continue with step 5.
- 5 Determine the number of days from Jan. 1 to date of payment.

Payment Options

Estate tax can be paid electronically or by check.

■ Pay electronically

- Go to our website at www.revenue.state.mn.us and log in.
- If you don't have Internet access, call **1-800-570-3329**.

Both options are free and there is no need to register. Enter the decedent's Social Security number and follow the prompts for individuals to make an estate tax payment. You'll need the decedent's last name, date of birth, date of death and your bank routing and account numbers. When paying electronically, you must use an account not associated with any foreign banks.

To be timely, you must complete your transaction and receive a confirmation number on or before the due date for that payment.

■ If you are making one of the following payments by check:

you must mail your check with a completed Form:

Tax return payment (taxes due with M706)	PV47
Extension payment	PV86
Amended return payment	PV69

Make your check payable to Minnesota Revenue.

- 6 Divide step 5 by 365, and round the result to five decimal places.
- 7 Multiply step 6 by the interest rate in effect for that year (see *Interest* on page 3).
- 8 Multiply step 7 by the tax still due.
- 9 Add step 4 and step 8. This is the interest to include with your installment.

If you fail to make an installment on time, you cannot continue to pay the tax in installments. Instead, you must pay — within 90 days from the date of the missed installment — the full amount of unpaid Minnesota estate tax, a late payment penalty on the unpaid tax, plus interest.

However, if you missed the installment date for what you believe is a reasonable cause, write to the Commissioner of Revenue explaining why the payment was late. You'll be notified in writing whether you may continue to pay Minnesota estate tax in installments.

(M.S. 289A.30, *subd.* 2)

Penalties

Late payment. A late payment penalty will be assessed on any tax not paid by the regular payment due date — nine months after the decedent's date of death. The penalty is 6 percent of the unpaid tax.

If you file your Minnesota estate tax return after the regular filing due date — nine months after the decedent's date of death — and you don't pay the tax as reported on your return at the time you file, an additional 5 percent late payment penalty will be assessed on the unpaid tax.

To avoid a late payment penalty, you must pay at least 90 percent of the total Minnesota estate tax by the regular due date and file Form M706 and pay the remaining tax due no later than 15 months after the decedent's death. Make your extension payment electronically or mail your check with completed Form PV86 (see *Payment Options* above). If you made an extension payment, include the amount you paid on line 12 of Form M706.

(M.S. 289A.60)

Federal extension for paying tax. If you received an extension to pay federal estate tax or you have properly elected under IRC section 6166 to pay federal tax in installments, you will not be assessed a late payment penalty on any Minnesota estate tax not paid by the regular due date. Attach to your Minnesota M706 return a copy of the federal approval for extending payment of tax. (M.S. 289A.30, *subd.* 2)

Late filing. If you file the return after the extended filing due date, a late filing penalty will be assessed on the unpaid tax. The penalty is 5 percent of the unpaid tax. (M.S. 289A.60, *subd.* 2)

Failing to file with intent to evade tax or filing a false or fraudulent return. A penalty of 50 percent of the tax due is added to the tax if you fail to file or file a false or fraudulent return with intent to evade payment of the Minnesota estate tax. This penalty is in addition to any other penalties that may apply. (M.S. 289A.60, *subd.* 6)

Continued

General Information (continued)

Criminal penalties. If you willfully fail to file a return in order to evade paying the tax, you could be charged with a gross misdemeanor. If you file a fraudulent return in order to evade paying all or part of the tax, you could be charged with a felony. (*M.S. 289A.63*)

Abatement of Penalties

If circumstances beyond your control prevented you from filing or paying your taxes on time, you may request an abatement of penalties. To request an abatement, send a letter to the department explaining the specific events or circumstances that prevented you from filing and/or paying on time. Your abatement request must be made within 60 days after the date you were notified that a penalty has been imposed. (*M.S. 270C.34*)

If the estate needs more time to meet the regular filing due date, the department will abate the penalties for late filing and late payment if the estate meets all of the following requirements:

- Pay a reasonable estimate of the Minnesota estate tax due by the payment due date. (A payment of at least 90 percent of the amount of Minnesota estate tax due as shown on the return is presumed to be a “reasonable estimate.”) Make the extension payment electronically or mail your check with completed Form PV86 (see *Payment Options* on page 2).
- File Form M706 and pay the remaining tax within 15 months of the decedent’s date of death.

Interest

Interest is calculated as simple interest and accrues on unpaid tax and penalties beginning nine months from the decedent’s date of death. Interest will be charged even if the deadline for filing the return has been extended or the tax is being paid under an installment plan. The rate of interest may change from year to year. (*M.S. 270C.40*)

The interest rate for 2011 and 2012 is 3 percent.

Use of Information

Information requested for filing estate tax is required under state law (*M.S. 289A.10, subd. 2*).

All information you enter on the return is private under state law. It cannot be given to others without your consent except to the IRS, other Minnesota state agencies and other state governments that are authorized by law to receive the information and must treat the information as private.

The decedent’s Social Security number is required by *M.S. 270C.306*. Although your — the executor’s — Social Security number is requested on Form M706, you are not required to provide it. We ask for your Social Security number so the department can correctly identify you, because you are responsible for paying the estate tax if the tax is not paid from the estate’s assets.

Assembling Required Information

You must attach the following to Form M706 (documents may be double-sided):

- a completed copy of the federal Form 706, including all federal schedules (A through U) that list an amount;
- copies of the wills, property appraisals or sales documents, trust agreements, disclaimers, financial documents, etc., that verify balances and/or stock or bond prices;
- a copy of the death certificate; and
- a completed copy of the Minnesota Form M706Q if the qualified small business or farm property deduction is being elected.

Other items you must attach to the return include:

- an itemized list of the gross values of the decedent’s real and tangible personal property located outside Minnesota (if a resident estate) or in Minnesota (if a nonresident estate). Also, include a list of the schedule and item number where each property is listed in the decedent’s federal return.
- a completed PV47 payment voucher, if you’re paying the tax due by check with the Form M706.

Preferred method. To attach, be sure to use binder clips, 3-ring binders or 2-prong fasteners. **Do not** use bindings, staples or colored paper as separators.

Alternative method. Save all forms, documents and attachments using the PDF format, and store on a CD. Label the CD with the decedent’s name (last, first, middle initial), date of death and Social Security number (last four digits). Submit the CD along with a printed copy of Form M706, the first three pages of federal Form 706, the death certificate and an index page listing the documents.

Where to file. Use one of the mailing labels provided on page 7 to mail your Form M706 and all required attachments to the department. If you choose not to use the label, mail your forms to: Minnesota Estate Tax, Mail Station 1315, St. Paul, MN 55146-1315.

Reporting Federal Changes

If the IRS changes or audits the estate’s federal tax or you amend the federal return, you must file an amended Minnesota estate tax return with the department. The amended Minnesota estate tax return is due no later than 180 days after you are notified of the federal changes or the date you filed the amended federal return.

You must file an amended Minnesota estate tax return even if the changes do not require you to amend the federal return. Complete a new Form M706 with the appropriate amended information, and check the box at the top of the form to indicate that it is an amended return. You must attach to your Form M706, a complete copy of the estate’s amended federal return or the correction notice you received from the IRS.

If there are no changes made to the federal return, the IRS will generally issue the estate an “Estate Tax Closing Letter.” If you received a closing letter, submit a copy to the department so the estate’s file can be closed.

(*M.S. 289A.38, subd. 7*)

If you fail to report the federal changes within 180 days as required, a 10 percent penalty will be assessed on any additional tax. (*M.S. 289A.60, subd. 24*)

Refund of Minnesota Tax

If you overpaid tax or the circumstances of the estate have changed since the Minnesota estate tax return was filed and you believe all or a portion of the tax already paid should be refunded, complete a new Form M706 and check the box to show it is an amended return. Be sure to enter on line 12 any tax, penalty and interest you’ve already paid. On line 17 enter the refund amount. (*M.S. 289A.50, subd. 1*)

Claims for refund must be filed within 3½ years from the due date for filing the return, plus any extension of time granted for filing the return but only if filed within the extended time. (*M.S. 289A.40, subd. 1*)

The estate will be paid interest on the amount refunded. (*M.S. 289A.56, subd. 3*)

Income Tax Return for Estates

If the estate’s assets generate \$600 or more of Minnesota gross income, you must file Form M2, *Income Tax Return for Estates and Trusts*, with the department.

Form M2 corresponds to the federal Form 1041, *United States Income Tax Return for Estates and Trusts*, and is due April 15 or the 15th day of the fourth month following the end of the tax year.

Line Instructions

You Must First Complete Federal Form 706

You will need your federal return to complete Form M706.

Under the Federal Economic Growth and Tax Relief Reconciliation Act of 2001, the federal estate tax applicable exclusion amount was increased and the credit for state death taxes was phased out between the years 2002 and 2005.

However, Minnesota did not adopt these federal changes. As a result, the filing requirement and the calculation of the Minnesota estate tax continues to be based under the federal law in effect prior to the changes enacted in 2001. Tables A and B on page 5 reflect federal law in effect in 2001.

If you are not required to file a federal estate tax return, you must obtain and complete a 2011 federal Form 706 and instructions to correctly determine your Minnesota estate tax. You must attach a copy of this completed federal return and all supporting schedules when you file your Form M706.

Qualified Terminable Interest Property (QTIP). Minnesota recognizes a QTIP election only if it was made on a federally filed 2011 federal Form 706.

Valuation. If the estate does not have a federal filing requirement, the estate must use the date of death values of assets since alternative value (value of asset six months from date of death) is not available. The alternative value cannot be elected federally since there will not be a federal tax using date of death value. Minnesota only allows alternative valuation if it is elected federally.

Elections. Elections provided by the Internal Revenue Code are only available for Minnesota purposes if the estate files a federal estate tax return and makes the election at the federal level. These elections include the special land use valuation election (IRC section 2032A) and qualified domestic trust election (IRC section 2056A).

Deductions. Deductions for administrative expenses can only be claimed on the Minnesota estate tax return if the expenses are not claimed as a deduction on any of the estate's federal fiduciary income tax returns. (M.S. 291.03)

Qualified Small Business and Farm Property Deduction

For dates of death after June 30, 2011: If the estate is electing to claim the qualified small business and farm property deduction, complete and attach Schedule M706Q, and check the box above line 1. (M.S. 291.005, subd. 1 and 291.03, subd. 1)

Executor(s)

Enter the name, address and Social Security number of the appointed executor in the designated area on Form M706.

If more than one executor was appointed by the Probate Court or Probate Registrar, you must attach a separate sheet of paper listing all of the other appointed executors' names, addresses and Social Security numbers.

All appointed executors must sign the completed Form M706.

Estates of Minnesota Residents—Lines 1–6

Round amounts to the nearest whole dollar. Drop amounts less than 50 cents and increase amounts 50 cents or more to the next higher dollar.

Line 1 Tentative Minnesota Estate Tax

Complete the *Worksheet to Determine Line 1* below.

Worksheet to Determine Line 1

1 Total federal gross estate (from line 1 of federal Form 706) ..	1	_____
2 Total allowable Minnesota deductions (included on line 2 of federal Form 706)	2	_____
3 Minnesota taxable estate (subtract step 2 from step 1)	3	_____
4 Adjusted taxable gifts (from line 4 of federal Form 706)	4	_____
5 Add steps 3 and 4	5	_____
6 For dates of death after June 30, 2011 only: Minnesota small business/farming deduction (from Schedule M706Q, Part 7, line 4; attach schedule)	6	_____
7 Minnesota adjusted taxable estate (subtract step 6 from step 5; if zero or less, enter 0)	7	_____
8 Using the result in step 7 and Table A (on page 5), determine the amount to enter here	8	_____
9 Enter step 7 or \$17,184,000, whichever is less	9	_____
10 Subtract \$10,000,000 from step 9 (if zero or less, enter 0) ..	10	_____
11 Multiply step 10 by 5% (.05)	11	_____
12 Total tentative tax (add step 8 and step 11)	12	_____
13 Total gift tax paid or payable (from line 7 of federal Form 706)	13	_____
14 Gross estate tax (subtract step 13 from step 12)	14	_____
15 Maximum unified credit	15	\$345,800
16 Adjustment to unified credit (from line 10 of federal Form 706)	16	_____
17 Allowable unified credit (subtract step 16 from step 15)	17	_____
18 Subtract step 17 from step 14 (if zero or less, enter 0)	18	_____
19 Minnesota taxable estate (from step 3 above)	19	_____
20 For dates of death after June 30, 2011 only: Minnesota small business/farming deduction (from Schedule M706Q, Part 7, line 4; attach schedule)	20	_____
21 Minimum amount	21	\$60,000
22 Add step 20 and step 21	22	_____
23 Minnesota adjusted taxable estate (subtract step 22 from step 19)	23	_____
24 Using the result in step 23 and Table B (on page 5), determine the amount to enter here	24	_____
25 Enter the amount from step 18 or step 24, whichever is less. Also enter this result on line 1 of your Form M706	25	_____

Use the estate tax calculator (Microsoft Excel document) available at www.taxes.state.mn.us to verify your calculation. If you use a software package, be sure to verify that the appropriate table amounts in steps 8 and 24, and the correct maximum unified credit amount in step 15 are used.

Line Instructions (continued)

Table A —Use to determine step 8 of your line 1 worksheet

If step 7 of your line 1 worksheet is:		but		multiply		and add	
over	not over	subtract from step 7	result by	multiply result by	and add	and add	
\$ 0	\$ 10,000	\$ 0	18%		\$ 0		
10,000	20,000	10,000	20%		1,800		
20,000	40,000	20,000	22%		3,800		
40,000	60,000	40,000	24%		8,200		
60,000	80,000	60,000	26%		13,000		
80,000	100,000	80,000	28%		18,200		
100,000	150,000	100,000	30%		23,800		
150,000	250,000	150,000	32%		38,800		
250,000	500,000	250,000	34%		70,800		
500,000	750,000	500,000	37%		155,800		
750,000	1,000,000	750,000	39%		248,300		
1,000,000	1,250,000	1,000,000	41%		345,800		
1,250,000	1,500,000	1,250,000	43%		448,300		
1,500,000	2,000,000	1,500,000	45%		555,800		
2,000,000	2,500,000	2,000,000	49%		780,800		
2,500,000	3,000,000	2,500,000	53%		1,025,800		
3,000,000	-----	3,000,000	55%		1,290,800		

Enter the result on step 8 of your line 1 worksheet.

Table B—Use to determine step 24 of the line 1 worksheet

If step 23 of the line 1 worksheet is:		multiply		multiply		and add	
at least	but less than	subtract from step 23	result by	multiply result by	and add	and add	
\$ 0	\$ 40,000	\$ 0			\$ 0		
40,000	90,000	40,000	0.8%		0		
90,000	140,000	90,000	1.6%		400		
140,000	240,000	140,000	2.4%		1,200		
240,000	440,000	240,000	3.2%		3,600		
440,000	640,000	440,000	4.0%		10,000		
640,000	840,000	640,000	4.8%		18,000		
840,000	1,040,000	840,000	5.6%		27,600		
1,040,000	1,540,000	1,040,000	6.4%		38,800		
1,540,000	2,040,000	1,540,000	7.2%		70,800		
2,040,000	2,540,000	2,040,000	8.0%		106,800		
2,540,000	3,040,000	2,540,000	8.8%		146,800		
3,040,000	3,540,000	3,040,000	9.6%		190,800		
3,540,000	4,040,000	3,540,000	10.4%		238,800		
4,040,000	5,040,000	4,040,000	11.2%		290,800		
5,040,000	6,040,000	5,040,000	12.0%		402,800		
6,040,000	7,040,000	6,040,000	12.8%		522,800		
7,040,000	8,040,000	7,040,000	13.6%		650,800		
8,040,000	9,040,000	8,040,000	14.4%		786,800		
9,040,000	10,040,000	9,040,000	15.2%		930,800		
10,040,000	-----	10,040,000	16.0%		1,082,800		

Enter the result on step 24 of the line 1 worksheet.

Line Instructions (continued)

Line 2

Gross Value of Property in Other States

From the federal estate tax return, add the gross values of each item of the decedent's real and tangible personal property located in other states. Enter the total on line 2 and attach an itemized list.

Estates of Nonresidents of Minnesota—Lines 7–11

Round amounts to the nearest whole dollar. Drop amounts less than 50 cents and increase amounts 50 cents or more to the next higher dollar.

Line 7

Tentative Minnesota Estate Tax

Determine line 7 by following the steps provided in the line 1 instructions. Enter the amount from step 25 on line 7 of your Form M706.

Line 8

Gross Value of Property in Minnesota

From the federal estate tax return, add the gross values of each item of the decedent's real and tangible personal property located in Minnesota. Enter the total on line 8 and attach an itemized list.

All Estates—Lines 12–18

Line 12

Payments Previously Made

If — before you filed this return — you paid Minnesota estate tax, enter the amount you've already paid, including any extension payment made electronically or when filing a PV86 payment voucher.

Line 14

Penalties

The regular due date for filing the Minnesota estate tax return and paying the total estate tax owed is nine months after the decedent's date of death. If the return is filed after the extended filing due date or the tax is paid after the regular payment due date, the estate is subject to penalties.

Late payment. A penalty is due if you don't pay the total Minnesota estate tax by the regular payment due date. The penalty is 6 percent of the unpaid tax.

If you file your Minnesota estate tax return after the regular filing due date and you don't pay the tax as reported on your return at the time you file, an additional 5 percent late payment penalty is due on the unpaid tax.

Late filing. If you file after the extended filing due date and you owe tax, you must pay an additional penalty for filing late. The late filing penalty is 5 percent of the unpaid tax.

Extended delinquency. An additional penalty is due if the return is not filed within 30 days after the department sends a written demand. The penalty is 5 percent of the tax not paid prior to the demand.

(M.S. 289A.60)

Line 15

Interest

You must pay interest on any unpaid tax and penalty from the regular due date until the total is paid. Interest accrues even if the deadline for filing the return or paying the tax has been extended.

The rate of interest may change from year to year. The interest rate for 2011 and 2012 is 3 percent. (M.S. 270C.40)

To determine the interest to enter on line 15, complete the worksheet on the back of Form M706.

(M.S. 289A.55)

Line 16

Amount Due

If the estate owes Minnesota estate tax, penalty or interest, you may pay the amount electronically or by check. See *Payment Options* on page 2.

Line 18

To Request Direct Deposit of Refund

If you want the refund on line 17 to be directly deposited into the estate's checking or savings account, enter the routing and account numbers. You must use an account not associated with any foreign banks.

You can find your bank's routing number and account number on the bottom of your check.



The **routing number** must have nine digits.

The **account number** may contain up to 17 digits (both numbers and letters). Enter the number and leave out any hyphens, spaces and symbols.

You must use an account that is not associated with any foreign banks. If the routing or account number is incorrect or is not accepted by your financial institution, your refund will be sent to you in the form of a paper check.

By completing line 18, you are authorizing the department and your financial institution to initiate electronic credit entries, and if necessary, debit entries and adjustments for any credits made in error.

Signature of the Executor

The executor of the estate must sign the completed Form M706. (M.S. 289A.10, subd. 1)

If more than one executor was appointed by the Probate Court or Probate Registrar, all appointed executors must sign the form.

If you wish to grant power of attorney to someone, complete the power of attorney form on the back of Form M706 and check the box after your signature (see the next section), or file Form REV184, *Power of Attorney*, with the department.

Power of Attorney

If you're the executor or personal representative of the decedent's estate, you may designate another person to act on your behalf or perform any act you can perform with respect to the estate tax on the decedent's estate when dealing with the department. This is done by granting power of attorney to the person. Even with a power of attorney, you will continue to receive all tax refunds, unless you submit Form REV184a, *Election for Power of Attorney*.

The department is prohibited by law from disclosing any information it may have in its records about the decedent's estate except to persons who have been granted power of attorney and to the decedent's heirs, next of kin or person who holds an interest in any of the decedent's property.

If you wish, you may complete the section on the back of Form M706 to grant power of attorney to someone. The person you appoint will be able to perform any and all acts you can perform for purposes of dealing with the department.

If you prefer, you may exclude specific powers by listing the excluded powers at the bottom of the form.

Stop writing checks *Pay electronically!*

It's Secure, Easy, Convenient, Free

www.revenue.state.mn.us

Use a Mailing Label

Use one of these mailing labels on your own envelope to mail your Form M706 and copies of the estate's federal Form 706, required schedules and death certificate. (Cut on the dotted line and tape the label to your envelope.)



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Mail Station 1315
St. Paul, MN 55146-1315



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