

NEVADA TAX INFORMATION**NEVADA ESTATE TAX INSTRUCTIONS AND GENERAL INFORMATION*****NEVADA ESTATE TAX INSTRUCTIONS AND GENERAL INFORMATION*****1. WHO MUST FILE:**

Nevada filing is **required** in accordance with Nevada law (**NRS 375.A**) for any decedent who has property located in Nevada at the time of death and whose estate value meets or exceeds the level requiring a Federal Estate tax return (**Form 706**).

The Credit allowable against the Federal Estate tax for the payment of State death taxes is being phased out by the IRS and will no longer apply on deaths occurring after December 31, 2004. Nevada Estate tax is based solely on this credit.

2. AMOUNT OF TAX:

The Nevada Estate tax shall not exceed the maximum credit allowable against a Federal Estate tax return. The Nevada Estate tax due will be reduced by applicable credit(s) allowed on the Federal return for amounts paid to another State.

3. WHEN TO FILE:

The due date for filing a Nevada Estate tax return, Federal Form 706, is within 9 months after the date of the decedent's death. If an extension of time for filing is being requested from the IRS, a copy of Federal Form 4768 must be filed within 9 months after the date of the decedent's death. Once the IRS has approved the extension, Form 4768, a copy of the approval must be filed.

4. WHAT TO FILE

The State of Nevada utilizes the Federal Form 706 and Form 4768 for the filing of Nevada Estate tax. A copy of the first four pages of Federal Form 706 and if applicable Federal Form 4768 must be filed. If the Nevada Estate tax amount due and payable differs from the State credit on Form 706, a written reconciliation must be enclosed with your Nevada Estate tax filing.

If the Estate has out-of-state property, or the domicile is in another state a copy of Form 706 with the schedules showing the out-of-state property or Nevada property, along with the Form 4768 if applicable, and proof of payments to other state(s), must be filed. The Estate does NOT need to file, wills, trusts, or appraisals.

5. PAYMENT OF TAX

The Nevada Estate tax is due within 9 months after the date of the decedent's death. Nevada does not have an extension of time for payment. Make checks payable to the Nevada Department of Taxation. Please write the decedents name and social security number on the face of the check with a copy of the Form 706 or Form 4768 to assist us in posting it to the proper account.

6. AMENDED RETURNS:

If for any reason the Federal Estate tax return must be adjusted or amended, an amended Nevada Estate tax filing is required. The amended Nevada Estate tax filing is due at the time the Federal amended return is filed. A copy of the adjusted or amended Federal filing, along with the appropriate reconciliation must be filed.

7. DEFERRED PAYMENTS:

If the IRS accepts a deferred payment plan from the Estate, the State of Nevada will accept the payment plan on the same terms. A copy of the acceptance must be filed along with additional yearly documents regarding the payment plan.

8. PENALTY FOR FAILURE TO FILE TIMELY RETURN

If the Nevada Estate tax return is not filed within the time specified a penalty will be assessed equal to 5 percent of the tax due, as finally determined, for each month or portion of a month during which that failure to file continues, not exceeding 25 percent. Interest accrues on the penalty and will continue to accrue until interest, penalty and tax is paid. The penalty for failure to file timely shall be waived if documentation is provided proving that the IRS waived a similar penalty for failure to file the Federal Estate tax return timely.

9. INTEREST:

Interest payable on any Nevada Estate tax payment will be equal to the rate established by the IRS for the Federal Estate tax due. Interest starts accruing on the amount owed nine months and a day after date of death, and continues to accrue until interest, penalty and tax is paid.

10. LIENS:

Any tax remaining unpaid 30 days after it becomes delinquent constitutes a lien against a property whose transfer was subject to the tax.

11. WHERE TO FILE:

NEVADA DEPARTMENT OF TAXATION
1550 EAST COLLEGE PARKWAY, SUITE 115
CARSON CITY, NEVADA 89706

For further information, contact Michelle Jacobs, Estate Tax Examiner, at (775) 684-2130.