

Form 706 (Rev. 8-2008)

Instructions for Schedule A—Real Estate

If the total gross estate contains any real estate, you must complete Schedule A and file it with the return. On Schedule A, list real estate the decedent owned or had contracted to purchase. Number each parcel in the left-hand column.

Describe the real estate in enough detail so that the IRS can easily locate it for inspection and valuation. For each parcel of real estate, report the area and, if the parcel is improved, describe the improvements. For city or town property, report the street and number, ward, subdivision, block and lot, etc. For rural property, report the township, range, landmarks, etc.

If any item of real estate is subject to a mortgage for which the decedent's estate is liable; that is, if the indebtedness may be charged against other property of the estate that is not subject to that mortgage, or if the decedent was personally liable for that mortgage, you must report the full value of the property in the value

column. Enter the amount of the mortgage under "Description" on this schedule. The unpaid amount of the mortgage may be deducted on Schedule K.

If the decedent's estate is not liable for the amount of the mortgage, report only the value of the equity of redemption (or value of the property less the indebtedness) in the value column as part of the gross estate. Do not enter any amount less than zero. Do not deduct the amount of indebtedness on Schedule K.

Also list on Schedule A real property the decedent contracted to purchase. Report the full value of the property and not the equity in the value column. Deduct the unpaid part of the purchase price on Schedule K.

Report the value of real estate without reducing it for homestead or other exemption, or the value of dower, curtesy, or a statutory estate created instead of dower or curtesy.

Explain how the reported values were determined and attach copies of any appraisals.

Schedule A Examples

In this example, alternate valuation is not adopted; the date of death is January 1, 2008.

Item number	Description	Alternate valuation date	Alternate value	Value at date of death
1	House and lot, 1921 William Street NW, Washington, DC (lot 6, square 481). Rent of \$8,100 due at end of each quarter, February 1, May 1, August 1, and November 1. Value based on appraisal, copy of which is attached			\$550,000
	Rent due on item 1 for quarter ending November 1, 2007, but not collected at date of death			8,100
	Rent accrued on item 1 for November and December 2007			5,400
2	House and lot, 304 Jefferson Street, Alexandria, VA (lot 18, square 40). Rent of \$1,800 payable monthly. Value based on appraisal, copy of which is attached			375,000
	Rent due on item 2 for December 2007, but not collected at date of death			1,800

In this example, alternate valuation is adopted; the date of death is January 1, 2008.

Item number	Description	Alternate valuation date	Alternate value	Value at date of death
1	House and lot, 1921 William Street NW, Washington, DC (lot 6, square 481). Rent of \$8,100 due at end of each quarter, February 1, May 1, August 1, and November 1. Value based on appraisal, copy of which is attached. Not disposed of within 6 months following death	7/1/08	\$535,000	\$550,000
	Rent due on item 1 for quarter ending November 1, 2007, but not collected until February 1, 2008	2/1/08	8,100	8,100
	Rent accrued on item 1 for November and December 2007, collected on February 1, 2008	2/1/08	5,400	5,400
2	House and lot, 304 Jefferson Street, Alexandria, VA (lot 18, square 40). Rent of \$1,800 payable monthly. Value based on appraisal, copy of which is attached. Property exchanged for farm on May 1, 2008	5/1/08	369,000	375,000
	Rent due on item 2 for December 2007, but not collected until February 1, 2008	2/1/08	1,800	1,800

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