

Estate of:

**SCHEDULE T—Qualified Family-Owned Business Interest Deduction**

For details on the deduction, including trades and businesses that do not qualify, see page 25 of the separate Instructions for Form 706.

**Part 1—Election**

**Note:** The executor is deemed to have made the election under section 2057 if he or she files Schedule T and deducts any qualifying business interests from the gross estate.

**Part 2—General Qualifications**

1 Did the decedent and/or a member of the decedent's family own the business interests listed on line 5 of this schedule for at least 5 of the 8 years immediately preceding the date of the decedent's death?  Yes  No

2 Were there any periods during the 8-year period preceding the date of the decedent's death during which the decedent or a member of his or her family:

	Yes	No
a Did not own the business interests listed on this schedule? . . . . .		
b Did not materially participate, within the meaning of section 2032A(e)(6), in the operation of the business to which such interests relate? . . . . .		

If "Yes" to either of the above, you must attach a statement listing the periods. If applicable, describe whether the exceptions of sections 2032A(b)(4) or (5) are met.

**Attach affidavits describing the activities constituting material participation and the identity and relationship to the decedent of the material participants.**

- 3 Check the applicable box(es). The qualified family-owned business interest(s) is:
- An interest as a proprietor in a trade or business carried on as a proprietorship.
  - An interest in an entity, at least 50% of which is owned (directly or indirectly) by the decedent and members of the decedent's family.
  - An interest in an entity, at least 70% of which is owned (directly or indirectly) by members of 2 families and at least 30% of which is owned (directly or indirectly) by the decedent and members of the decedent's family.
  - An interest in an entity, at least 90% of which is owned (directly or indirectly) by members of 3 families and at least 30% of which is owned (directly or indirectly) by the decedent and members of the decedent's family.

4 Persons holding interests. Enter the requested information for each party who received any interest in the family-owned business. If any qualified heir is not a U.S. citizen, see the line 4 instructions on page 26 of the separate instructions. **(Each of the qualified heirs receiving an interest in the business must sign the agreement that begins on the following page 40, and the agreement must be filed with this return.)**

	Name	Address
A		
B		
C		
D		
E		
F		
G		
H		

	Identifying number	Relationship to decedent	Value of interest
A			
B			
C			
D			
E			
F			
G			
H			

### Part 3—Adjusted Value of Qualified Family-Owned Business Interests

5 Qualified family-owned business interests reported on this return.  
**Note:** All property listed on line 5 must also be entered on Schedules A, B, C, E, F, G, or H, as applicable.

A Schedule and item number from Form 706	B Description of business interest and principal place of business	C Reported value
<b>6</b> Total reported value . . . . .		<b>6</b>
<b>7</b> Amount of claims or mortgages deductible under section 2053(a)(3) or (4) (see separate instructions) . . . . .	<b>7</b>	
<b>8a</b> Enter the amount of any indebtedness on qualified residence of the decedent (see separate instructions) . . . . .	<b>8a</b>	
<b>b</b> Enter the amount of any indebtedness used for educational or medical expenses (see separate instructions) . . . . .	<b>8b</b>	
<b>c</b> Enter the amount of any indebtedness other than that listed on line 8a or 8b, but do not enter more than \$10,000 (see separate instructions) . . . . .	<b>8c</b>	
<b>d</b> Total (add lines 8a through 8c) . . . . .	<b>8d</b>	
<b>9</b> Subtract line 8d from line 7 . . . . .		<b>9</b>
<b>10</b> Adjusted value of qualified family-owned business interests (subtract line 9 from line 6) . . . . .		<b>10</b>

### Part 4—Qualifying Estate

<b>11</b> Includible gifts of qualified family-owned business interests (see separate instructions):		
<b>a</b> Amount of gifts taken into account under section 2001(b)(1)(B) . . . . .	<b>11a</b>	
<b>b</b> Amount of such gifts excluded under section 2503(b) . . . . .	<b>11b</b>	
<b>c</b> Add lines 11a and 11b . . . . .		<b>11c</b>
<b>12</b> Add lines 10 and 11c . . . . .		<b>12</b>
<b>13</b> Adjusted gross estate (see separate instructions):		
<b>a</b> Amount of gross estate . . . . .	<b>13a</b>	
<b>b</b> Enter the amount from line 7 . . . . .	<b>13b</b>	
<b>c</b> Subtract line 13b from line 13a . . . . .	<b>13c</b>	
<b>d</b> Enter the amount from line 11c . . . . .	<b>13d</b>	
<b>e</b> Enter the amount of transfers, if any, to the decedent's spouse (see inst.) . . . . .	<b>13e</b>	
<b>f</b> Enter the amount of other gifts (see inst.) . . . . .	<b>13f</b>	
<b>g</b> Add the amounts on lines 13d, 13e, and 13f . . . . .	<b>13g</b>	
<b>h</b> Enter any amounts from line 13g that are otherwise includible in the gross estate . . . . .	<b>13h</b>	
<b>i</b> Subtract line 13h from line 13g . . . . .	<b>13i</b>	
<b>j</b> Adjusted gross estate (add lines 13c and 13i) . . . . .		<b>13j</b>
<b>14</b> Enter one-half of the amount on line 13j . . . . .		<b>14</b>
<b>Note:</b> If line 12 does not exceed line 14, stop here; the estate does not qualify for the deduction. Otherwise, complete line 15.		
<b>15</b> Net value of qualified family-owned business interests you elect to deduct (line 10 reduced by any marital or other deductions)— <b>DO NOT</b> enter more than \$675,000—(see instructions) (attach schedule)—enter here and on Part 5, Recapitulation, page 3, at item 22 . . . . .		<b>15</b>

**Part 5—Agreement to Family-Owned Business Interest Deduction Under Section 2057**

<b>Estate of:</b>	Date of Death	Decedent's Social Security Number
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There cannot be a valid election unless:

- The agreement is executed by each and every one of the qualified heirs, and
- The agreement is included with the estate tax return when the estate tax return is filed.

We (list all qualified heirs and other persons having an interest in the business required to sign this agreement)

\_\_\_\_\_ ,  
 \_\_\_\_\_ ,  
 being all the qualified heirs and \_\_\_\_\_ ,

\_\_\_\_\_ ,  
 being all other parties having interests in the business(es) which are deducted under section 2057 of the Internal Revenue Code, do hereby approve of the election made by \_\_\_\_\_ ,  
 Executor/Administrator of the estate of \_\_\_\_\_ ,  
 pursuant to section 2057 to deduct said interests from the gross estate and do hereby enter into this agreement pursuant to section 2057(h).

The undersigned agree and consent to the application of subsection (f) of section 2057 of the Code with respect to all the qualified family-owned business interests deducted on Schedule T of Form 706, attached to this agreement. More specifically, the undersigned heirs expressly agree and consent to personal liability under subsection (c) of 2032A (as made applicable by section 2057(i)(3)(F) of the Code) for the additional estate tax imposed by that subsection with respect to their respective interests in the above-described business interests in the event of certain early dispositions of the interests or the occurrence of any of the disqualifying acts described in section 2057(f)(1) of the Code. It is understood that if a qualified heir disposes of any deducted interest to any member of his or her family, such member may thereafter be treated as the qualified heir with respect to such interest upon filing a new agreement and any other form required by the Internal Revenue Service.

The undersigned interested parties who are not qualified heirs consent to the collection of any additional estate tax imposed under section 2057(f) of the Code from the deducted interests.

If there is a disposition of any interest which passes or has passed to him or her, each of the undersigned heirs agrees to file the appropriate form and pay any additional estate tax due within 6 months of the disposition or other disqualifying act.

It is understood by all interested parties that this agreement is a condition precedent to the election of the qualified family-owned business deduction under section 2057 of the Code and must be executed by every interested party even though that person may not have received the estate tax benefits or be in possession of such property.

Each of the undersigned understands that by making this election, a lien will be created and recorded pursuant to section 6324B of the Code on the interests referred to in this agreement for the applicable percentage of the adjusted tax differences with respect to the estate as defined in section 2057(f)(2)(C).

As the interested parties, the undersigned designate the following individual as their agent for all dealings with the Internal Revenue Service concerning the continued qualification of the deducted property under section 2057 of the Code and on all issues regarding the special lien under section 6324B. The agent is authorized to act for all the parties with respect to all dealings with the Service on matters affecting the qualified interests described earlier. This authority includes the following:

- To receive confidential information on all matters relating to continued qualification under section 2057 of the deducted interests and on all matters relating to the special lien arising under section 6324B.
- To furnish the Service with any requested information concerning the interests.
- To notify the Service of any disposition or other disqualifying events specified in section 2057(f)(1) of the Code.
- To receive, but not to endorse and collect, checks in payment of any refund of Internal Revenue taxes, penalties, or interest.
- To execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund.
- To execute closing agreements under section 7121.

(continued on next page)

**Part 5. Agreement to Family-Owned Business Interest Deduction Under Section 2057 (continued)**

<b>Estate of:</b>	Date of Death	Decedent's Social Security Number
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• Other acts (specify) ► \_\_\_\_\_

By signing this agreement, the agent agrees to provide the Internal Revenue Service with any requested information concerning the qualified business interests and to notify the Internal Revenue Service of any disposition or other disqualifying events with regard to said interests.

_____ Name of Agent	_____ Signature	_____ Address
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The interests to which this agreement relates are listed in Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, along with their fair market value according to section 2031 (or, if applicable, section 2032A) of the Code. The name, address, social security number, and interest (including the value) of each of the undersigned in this business(es) are as set forth in the attached Schedule T.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_.

**SIGNATURES OF EACH OF THE QUALIFIED HEIRS:**

_____ Signature of qualified heir	_____ Signature of qualified heir
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_____ Signature of qualified heir	_____ Signature of qualified heir
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_____ Signature of qualified heir	_____ Signature of qualified heir
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_____ Signature of qualified heir	_____ Signature of qualified heir
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_____ Signature of qualified heir	_____ Signature of qualified heir
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_____ Signature of qualified heir	_____ Signature of qualified heir
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\_\_\_\_\_  
Signature(s) of other interested parties

\_\_\_\_\_  
Signature(s) of other interested parties