

**WORKSHEET 8—ELIGIBILITY FOR SPECIAL USE VALUATION
UNDER IRC, SECTION 2032A**

Estate of _____

Answer <i>all</i> of the following questions:	YES	NO
1. At the date of death, was D either a citizen or resident of the United States?	_____	_____
2. Is the real property located in the United States?	_____	_____
3. Was the real property owned by D (or member of D’s family) during a total of five of the last eight years preceding D’s death?	_____	_____
4. Did D (or member of D’s family) materially participate in the operation of the farm or business during five of the last eight years preceding the earliest of (a) date of D’s death, (b) date D became disabled, or (c) date D first received Social Security retirement benefits?	_____	_____
5. Did the real property pass from D to a qualified heir?	_____	_____
6. Was the property used as a farm or in a trade or business on the date of D’s death?	_____	_____

Note: If the answer to one or more of these first six questions is no, stop here as the property is not eligible. If all of the answers are yes, continue as follows.

7. Enter value of gross estate for federal estate tax purposes (see Line 1, Page 1, IRS Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return)	\$ _____
8. Enter aggregate amount of personal obligations of D secured by liens on property included in D’s gross estate (see bottom half of Schedule K, IRS Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return)	\$ _____

Note: All further references to line numbers are to this worksheet.

9. Subtract Line 8 from Line 7 and enter (this is the adjusted value of the gross estate)	\$ _____
10. Enter aggregate value of all of D’s real property that was used at death for farming purposes or in a trade or business	\$ _____

11. Enter aggregate value of such property that was *not* acquired by a qualified heir \$ _____
12. Subtract Line 11 from Line 10 and enter \$ _____
13. Enter aggregate amount of all of D's personal obligations secured by a lien on any real property referred to in Line 12 \$ _____
14. Subtract Line 13 from Line 12 and enter (this is the adjusted value of qualified real property) \$ _____
15. Enter aggregate value of all of D's personal property that was used at death on a farm for farming purposes or in a trade or business \$ _____
16. Enter aggregate value of such property that was *not* acquired by a qualified heir \$ _____
17. Subtract Line 16 from Line 15 and enter \$ _____
18. Enter aggregate amount of all personal obligations of D secured by liens on any personal property referred to in Line 17 \$ _____
19. Subtract amount shown on Line 18 from amount shown on Line 17 and enter. This is the adjusted value of all qualified personal property \$ _____
20. Add amounts shown on Lines 14 and 19 and enter \$ _____
21. Enter 50% of Line 9 \$ _____
22. Enter 25% of Line 9 \$ _____

If (1) the amount on Line 21 is less than or equal to the amount on Line 20 *and* (2) the amount on Line 22 is less than or equal to the amount on Line 14, *then* the estate qualifies for valuation under IRC, Section 2032A. To make the election, complete Schedule A-1 of IRS Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return.