

Schedule CT-706 Farmland

For DRS Use Only

_____ - _____

M M - D D - Y Y Y Y



Schedule CT-706 Farmland can be electronically attached to Form CT-706/709 using myconnectCT.

Purpose: Use **Schedule CT-706 Farmland** to report the fair market value of farmland based on its highest and best use as of the date of death. If you are claiming special-use valuation for farmland, this schedule must be attached to **Form CT-706/709, Connecticut Estate and Gift Tax Return**. You must also furnish a copy of this schedule and instructions to each qualified heir.

Decedent's first name and middle initial		Last name		Social Security Number (SSN)	
_____		_____		_____ : _____	
Address (number and street)			PO Box	Date of death	
_____			_____	- - 20__	
City, town, or post office		State	ZIP code		
_____		_____	_____		

Section 1 - Schedule of Farmland			
A Description of Property Include Schedule and item number from federal Form 706.	B Fair Market Value of Farmland at Date of Death	C Value as Farmland at Date of Death	D Additional Estate Tax Due if Qualified Use of Farmland Ceases

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both.

Signature of Executor or Administrator	Date
_____	_____

Section 2 - Declaration and Signature of Heirs and Other Interested Parties

We, the undersigned qualified heirs and other interested parties, being all the qualified heirs and other interested parties having interests in the property which is qualified real property and which is valued under Internal Revenue Code (IRC) § 2032A, do hereby approve of the election made by _____, Executor/Administrator of the estate of _____ pursuant to IRC § 2032A to value said property on the basis of the qualified use to which the property is devoted and do hereby enter into an agreement pursuant to IRC § 2032A(d).

The undersigned agree and consent to the application of IRC § 2032A(c) with respect to all the property described in Section 1. Specifically, the undersigned heirs expressly agree and consent to personal liability for the additional Connecticut estate taxes imposed with respect to their respective interests in the property described in Section 1 in the event of certain early dispositions of the property or early cessation of the qualified use of the property.

The undersigned interested parties who are not qualified heirs consent to the collection of any additional Connecticut estate tax imposed under IRC § 2032A(c) from the specially valued property.

It is understood by all interested parties that this agreement is a condition precedent to the election of special-use valuation under IRC § 2032A 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.

Qualified Heir(s)

Name			Signature
Address (number and street or PO Box)			
City, town, or post office	State	ZIP code	Social Security Number (SSN) ____ : ____ : _____
Name			Signature
Address (number and street or PO Box)			
City, town, or post office	State	ZIP code	SSN ____ : ____ : _____
Name			Signature
Address (number and street or PO Box)			
City, town, or post office	State	ZIP code	SSN ____ : ____ : _____
Name			Signature
Address (number and street or PO Box)			
City, town, or post office	State	ZIP code	SSN ____ : ____ : _____
Name			Signature
Address (number and street or PO Box)			
City, town, or post office	State	ZIP code	SSN ____ : ____ : _____

Other Interested Parties

Name			Signature
Address (number and street or PO Box)			
City, town, or post office	State	ZIP code	Social Security Number (SSN) ____ : ____ : _____
Name			Signature
Address (number and street or PO Box)			
City, town, or post office	State	ZIP code	SSN ____ : ____ : _____

Schedule CT-706 Farmland Instructions

Who Must File

Any Executor/Administrator of a taxable estate who elects a special-use valuation as farmland under Internal Revenue Code (IRC) § 2032A **must** complete **Schedule CT-706 Farmland** and attach it to its completed **Form CT-706/709, Connecticut Estate and Gift Tax Return**, if the land is valued based upon its current classification and use as farmland. Schedule CT-706 Farmland can be electronically attached to Form CT-706/709 using **myconneCT**. For more information, visit **portal.ct.gov/DRS-myconneCT**.

Any Executor/Administrator of a non-taxable estate who elects a special-use valuation as farmland under IRC § 2032A must complete Schedule CT-706 Farmland and attach it to its completed **Form CT-706NT, Connecticut Estate Tax Return (for Nontaxable Estates)**, if the land is valued based upon its current classification and use as farmland.

To learn more about the Connecticut estate tax, see *Who Must File - Estate Tax* at **portal.ct.gov/DRS/Individuals/Individual-Income-Tax-Portal/Estate-and-Gift-Taxes/Tax-Information**.

Disposition or Cessation of Qualified Use as Farmland

Additional estate tax is due if within 10 years from the decedent's date of death the farmland is:

- Transferred by the qualified heir to anyone other than a lineal descendant or spouse of the lineal descendant;
- No longer classified as farmland; **or**
- Fails to qualify for special-use classification under IRC § 2032A.

The qualifying heir (or the qualifying heir's lineal descendant or the descendant's spouse if the farmland has been transferred by the qualifying heir to the qualifying heir's lineal descendant or the descendant's spouse) must file this schedule and pay the tax due. To compute the tax due, subtract the tax paid by the decedent from the tax that would have been due from the decedent if the decedent had filed Form CT-706/709 using the fair market value of the farmland without electing special-use valuation.

Executor/Administrator Instructions

Enter the decedent's name, mailing address and Social Security Number (SSN) at the top of the schedule.

Complete Section 1, Columns A through D as shown below for each item.

Column A: Enter the schedule and item number where reported on the decedent's federal Form 706. Provide a description of the specially valued property including the volume and page number of the land records of the town where the property is located.

Column B: Enter the fair market value of the farmland based on its highest and best use as of the decedent's date of death. This should be the same value as on federal Form 706, Schedule A-1, Part 2, Column B.

Column C: Enter the value of the farmland based on its current use as farmland as of the decedent's date of death. This should be the same value as on federal Form 706, Schedule A-1, Part 2, Column D.

Column D: Calculate the additional estate tax that would have been due if the decedent filed Form CT-706/709 using the fair market value of the farmland. Subtract the actual tax reported on Form CT-706/709, Section 3, Line 13, from the tax that would have been due if the decedent filed Form CT-706/709 using the fair market value of farmland.

Signature of Executor or Administrator

Sign and date this schedule.

Give the qualified heir a copy of this schedule and instructions.

Attach this schedule to your completed Form CT-706/709.

Qualified Heir Instructions

A qualified heir is liable for additional estate tax if, within 10 years of the decedent's date of death, the farmland is transferred to a nonlineal descendant, is no longer classified as farmland, or fails to qualify for special-use valuation under IRC § 2032A. If this occurs, the qualified heir must submit to the Department of Revenue Services (DRS):

1. A copy of the Schedule CT-706 Farmland provided to the qualified heir by the Executor/Administrator; **and**
2. A written statement that includes the date:
 - a. The land was transferred to a person other than the qualified heir's lineal descendant or the lineal descendant's spouse;
 - b. The classification of the land was changed from farmland; **or**
 - c. The land failed to qualify for special use valuation under IRC § 2032A.

Due Date of Additional Tax

The additional estate tax is the amount entered in Section 1, Column D. The qualified heir **must** file this schedule and pay the tax due no later than six months following the transfer, reclassification, or failure to qualify for special use. Interest accrues at the rate of 1% per month or fraction of a month from the due date until the tax is paid in full.

Pay the additional estate tax due in full with Schedule CT-706 Farmland.

Extension of Time to Pay

The Commissioner of Revenue Services may, for good cause, extend the time for payment of the tax if the qualified heir, a lineal descendant, or that descendant's spouse files a written application with the Commissioner of Revenue Services before the six month period expires.

Filing and Paying by Mail

Complete this schedule in blue or black ink only. Do not use staples.

Make check payable to **Commissioner of Revenue Services**.

To ensure payment is applied properly, write the date of death, "**Schedule CT-706 Farmland**" and the Social Security Number (SSN) of the decedent, optional, on the front of your check. Be sure to sign your check and paper clip it to the front of your return. Do not send cash. DRS may submit your check to your bank electronically.

Mail to:

Department of Revenue Services
State of Connecticut
PO Box 2978
Hartford, CT 06104-2978

For the Latest News

Visit the DRS website at **portal.ct.gov/DRS**.

This page intentionally left blank.