

Form S-2
Succession Tax Return
 For decedents dying on or after July 1, 2004

CT Succession Tax File Number, if known

Amended Return

(Rev. 10/04)

Important: This return must be filed in duplicate with the appropriate Probate Court. The Probate Court will issue the Certificate of No Tax, if applicable. Please read all instructions prior to completing this return.

Identification

Decedent's Name (last, first, middle initial)		Decedent's Date of Death	Probate Court
Decedent's Residence at Date of Death (street address)		Decedent's Social Security Number	Is the value of the decedent's gross estate, including life insurance proceeds and real estate outside of Connecticut, more than \$1,000,000? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, the estate may be required to file Form CT-706 (June 2004 rev.).
City	State	ZIP Code	
Was the decedent a Connecticut resident? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Type of Estate <input type="checkbox"/> Testate <input type="checkbox"/> Intestate <input type="checkbox"/> Tax Purposes Only		If testate, was will admitted to Probate Court? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Schedule 1 — Recapitulation You must complete Schedules 2, 3, and 4, if required, before you complete Schedule 1.

Beneficiary Class: For Classes A, B, and C, refer to Form C-107, Tax Tables for Succession and Transfer Taxes , to determine the exemption amount allowed per class as of the decedent's date of death. Only one exemption is allowed per class, not per beneficiary .	Column I Totals From Schedule 3	Column II Totals From Schedule 4	Column III (Col. I + Col. II)
Class AA: husband or wife			
Class A: parent, grandparent, adoptive parent, and any natural or adopted descendent (for example: daughter, son, grandchild, great-grandchild)			
Class B: brother or sister (full or half); adopted brother or sister; any natural or adopted descendent of a brother or sister, including a niece or nephew related by blood; stepchild; and spouse or unremarried widow(er) of natural or adopted child.			
Class C: all other persons, associations, or corporations not mentioned in Class AA, A, or B (for example: cousins, uncles, aunts, sisters-in-law, brothers-in-law, stepbrother, stepsister, step-grandchild, or niece or nephew related by marriage).			
Exempt: charitable, educational, literary, scientific, historical, religious, and government-related organizations.			
Total: This is the total amount passing to all classes.			

The Commissioner of Revenue Services reserves the right to require the filing of Form S-1 if all the required information has not been provided or if, in the Commissioner's opinion, a succession tax may be due.

Declaration: I declare under penalty of law that I have examined this return and, to the best of my knowledge and belief, it is a true, complete, and correct statement of the gross taxable estate of the decedent named above, and of the decedent's beneficiaries, as required by the statutes of the State of Connecticut. I understand the penalty for willfully delivering a false return to DRS is a fine or not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Fiduciary's Name	Attorney or Authorized Representative's Name
Signature of Fiduciary	Signature of Attorney or Authorized Representative
Date	Date
Address	Firm Name and Address
City	City
State	State
ZIP	ZIP
Telephone Number	Telephone Number

Certification to Commissioner of Revenue Services (For Probate Court Use Only)

The within and foregoing is a true and attested copy of the tax return on file with the Probate Court for the district named below.						Probate Court Seal
District of	Date	Signature	Judge Clerk Asst. Clerk			
Certificate of Opinion of No Tax (For Probate Court Use Only) To be used if no tax is due.						
Apportionment by Class	AA	A	B	C	Exempt	
	\$	\$	\$	\$	\$	
Remarks:						
I have examined this return and have calculated, as shown above, the taxable value of transfers reported for each class of beneficiary. I find that this value is less for each class than the exemption applicable to that class. In my opinion, therefore, there will be no succession tax due on account of transfers reported on this return and I so certify.						
Date	Signature of Judge					

Schedule 2 — General Questions: Read carefully. Check the appropriate box for each question below. Failure to attach the applicable supporting documentation may delay processing and result in an objection being filed. If the decedent was not a resident of Connecticut, answer Questions 1 through 4 for any Connecticut real or tangible personal property.

<p>1. At the time of death, did the decedent own or have an interest in any of the following sole ownership property? If Yes, report the property on Schedule 3.</p> <p>a. Real estate <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b. Securities <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>c. Bank accounts <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. Other personal property <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. At the time of death, did the decedent own or have an interest in any of the following property owned jointly with right of survivorship? If Yes, report the property on Schedule 4.</p> <p>a. Real estate <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b. Securities <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>c. Bank accounts <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. Other personal property <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. Are any amounts due to a beneficiary or this decedent's estate from a pension, stock-bonus or profit-sharing plan, or an annuity? If Yes, report that amount on Schedule 4.</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>4. Did the decedent create any trusts, including trustee bank accounts, during his or her life? If Yes, attach a copy of the trust(s) and report the value of the trust(s) on Schedule 4.</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>5. Did the decedent have an interest in life insurance on the life of another? If Yes, report the cash surrender value on Schedule 3.</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>6. During his or her life, did the decedent make any transfers of real property to another, retaining a life use for himself or herself; or where he or she continued to have any use in the property? If Yes, report the fair market value of the property on the date of death on Schedule 4.</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>7. Within three years of death, did the decedent make any gifts required to be reported on Form CT-709, Connecticut Gift Tax Return, to any person? If Yes, report to whom, relationship, nature of the gift, and the date of the gift on Schedule 4.</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>8. Was a disclaimer filed in this estate? If Yes, submit a copy of each disclaimer.</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>9. Are any of the heirs in this estate nieces or nephews related by marriage? If Yes, report transfers to those nieces or nephews as transfers to Class C beneficiaries.</p> <p style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
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Schedule 3 — Solely Owned Property

Description of Property	Name of Beneficiary and Relationship to Decedent	Beneficiary Class	Fair Market Value Attributed to Estate

Schedule 4 — Jointly Owned Property and Property Passing Other Than by Will or Laws of Intestacy

Description of Property	Name of Survivor or Beneficiary and Relationship to Decedent	Beneficiary Class	Total Value at Death	Conceded Value Attributed to Estate

Attach additional sheets if necessary to provide the required information for Schedules 3 and 4.

Instructions for Form S-2 Succession Tax Return

(Rev. 10/04)

General Information

Form S-2, Succession Tax Return, is used by those estates where it appears no succession tax will be due because the gross value of property passing to any class of beneficiary is **less than** the exemption for the class as of the decedent's date of death. Refer to **Form C-107, Tax Tables for Succession and Transfer Taxes**, to determine whether succession tax is due.

Who Must Sign and File the Return

The administrator(s) or executor(s) of the decedent's estate must sign and file Form S-2. If there is no administrator or executor, then the survivor or transferee must file Form S-2. If there is more than one fiduciary, all must sign the return.

Form S-2 must be filed for each decedent who, at the time of death, was a Connecticut resident. Form S-2 must also be filed for each decedent who, at the time of death, was a nonresident of Connecticut but who owned real or tangible personal property located in Connecticut. If the decedent is claimed to be a nonresident of Connecticut, and the estate is required to file **Form CT-706, Connecticut Estate Tax Return**, then the estate must also complete and file **Form C-3, Domicile Declaration**, with DRS.

When and Where to File

The return must be filed in duplicate with the Probate Court within six months of the decedent's death.

If the decedent was, at the time of death, a Connecticut **resident**, the return must be filed in the Probate Court for the district in which the decedent resided at death. If the decedent was, at the time of death, a **nonresident** of Connecticut at death, the return must be filed with the Probate Court for the district within which reportable property is located.

Extension for Filing

To request an extension to file Form S-2, submit a written request to DRS. In your request, include the estate name, the Connecticut succession tax file number, if known, and the date you expect to file that return. This should be submitted no later than six months from the date of death. You will be notified only if your extension request is denied.

Schedule 2 — General Questions

Answer all questions and determine the appropriate schedule on which to report property that is passing or being transferred. Solely-owned property passing by will or laws of intestacy should be reported on Schedule 3. Jointly-owned survivorship property or property passing other than by will or laws of intestacy should be reported on Schedule 4. Attach supporting documentation as required.

Schedules 3 and 4 — General Information

List property on the appropriate schedule. Provide the names of survivors or beneficiaries, their relationship to the decedent, and their beneficiary class. Indicate the value of the property. If the decedent owned less than a full interest in the property, indicate the decedent's percentage of ownership and the full fair market value in the Description column. Enter the value of the decedent's percentage in the Fair Market Value Attributed to the Estate column. Make

descriptions brief, but sufficient to accurately identify the property being reported, and state the decedent's interest in the property, such as, full interest, one-half interest, one-third interest, etc.

Add property listed on Schedules 3 and 4 by beneficiary class. For more information on how to determine the beneficiary class, refer to the Determination of Beneficiary Class section of the instructions. Carry totals to the appropriate row and column of Schedule 1.

Reportable Assets: All property in which the decedent had any interest must be reported on the return at its fair market value on the date of death. Assets which must be reported on the return include:

A. If the decedent **was a resident** of Connecticut:

- Tangible personal property* located in Connecticut;
- Real property located in Connecticut**; and
- All intangible personal property*** wherever located.

B) If the decedent **was not a resident** of Connecticut:

- Real property located in Connecticut**; and
- Tangible personal property* located in Connecticut.

* Tangible personal property includes, for example: antiques, art collections, automobiles, boats, clothing, coin collections, household furniture and furnishings, jewelry, stamp collections, etc.

** The description of the real estate should include the dimensions or number of acres; and whether it is a home, rental, commercial, farm, or vacant land.

*** Intangible personal property includes, for example: bank accounts, cash, stocks, bonds, pensions, copyrights, interest in estates of other decedents, royalties, mortgages, notes, partnerships, remainder interest in trusts and estates, unincorporated businesses, etc.

Exceptions

- Insurance on the life of the decedent is not subject to the succession tax. Insurance owned by the decedent on the life of another is taxable.
- Proceeds of a wrongful death action are not subject to the succession tax.

Values: All property must be reported at its fair market value on the date of death. For real estate, the fair market value may be determined through a written appraisal by a realtor or by using sales figures for comparable properties. For stocks quoted on a stock exchange, use the mean between the high and the low or bid and asked price at the date of death. For bank accounts, be sure that all interest has been posted as of the date of death. For U.S. Savings Bonds, use the value at death, not the face amount.

If the decedent owned less than a full interest in real property and the property was subject to a mortgage, or both, report the percentage of ownership in the property, the full value of the property, and the full unpaid balance of the mortgage under *Description of the Property* and the value of decedent's interest in the equity under *Fair Market Value Attributed to Estate*. On Schedule 4, enter the value of the property, less the unpaid balance of the mortgage, under *Total Value at Death*.

If the decedent owned property that cannot be readily valued, such as a sole proprietorship, a partnership interest, or stock in a closely held corporation, **Form S-1, Succession Tax Return**, should be filed.

Schedule 3 — Solely Owned Property

On this schedule, report all solely owned property passing by will or laws of intestacy.

Schedule 4 — Jointly Owned Property and Property Passing Other Than by Will or Laws of Intestacy

On this schedule, report all property held jointly with a right of survivorship and all property passing other than by will or laws of intestacy.

Jointly Owned Property Conceded Fully Taxable: When property is owned in survivorship and is conceded to be for the benefit of the decedent alone, and was funded in a large percentage by the decedent, report its full value under the *Conceded Value Attributed to Estate* column.

Jointly Owned Property Conceded Fractionally Taxable: When property is owned in survivorship and is claimed fractionally taxable, and was funded in large percentage by the survivor, or the decedent resided together with the survivor, report the following:

- Date made joint; and
- Percentages of direct contribution by the decedent and survivor(s).

Report the full value of the item under *Total Value at Death* column and the decedent's fractional interest under *Conceded Value Attributed to Estate* column.

If the property consists of survivorship bank accounts or U.S. Savings Bonds, or both, and is claimed fractionally taxable, deduct the special \$5,000 exemption from the aggregate value under *Total Value at Death* and then report the decedent's fractional interest in the balance under *Conceded Value Attributed to Estate*.

Death Benefits, Annuities, Pension Plans, Retirement Benefits:

Generally, the value to the beneficiary at death of the right to receive pension profit sharing and like plans is taxable. However, if a plan was a qualified plan under the provisions of the Internal Revenue Code, only that proportion of the value of the plan attributable to contributions made to the plan by the decedent is subject to tax. Please note that when the proceeds of an exempt qualified plan are rolled over into an Individual Retirement Account, this exemption is lost and the entire amount becomes subject to succession tax.

Reportable transfers include the following:

- Individually purchased policies:
 1. Annuity policies;
 2. Retirement annuity policies;
 3. Matured endowment policies;
 4. Supplementary contracts; For example, if the decedent elected to leave the proceeds of insurance he received as a beneficiary with the insurer under terms where the balance will be paid after his death to persons he designated;
 5. IRA, deferred compensation, and similar plans; and
 6. Private annuities.
- Pension profit-sharing and like plans:
 1. Payments under an employees' trust or plan forming part of a pension, stock bonus, or profit sharing plan;

2. Payments under a contract purchased by an employees' trust or plan forming part of a pension, stock bonus, or profit sharing, thrift, or similar plan; and
3. Payments under a retirement annuity contract purchased by an employer under a plan.

- Bonuses and death benefits received from employers after death.

Schedule 1 — Recapitulation

You must complete Schedules 2, 3, and 4, if required, before you complete Schedule 1. Carry the totals for each beneficiary class from Schedules 3 and 4 to the appropriate row and column of Schedule 1. Add columns across and down. Enter the total amount passing to all classes in the **Total** box.

Intestate property: When a decedent does not have a will and property is not in a trust, in survivorship, or in some form of retirement plan, etc., but is in the decedent's name alone, that property is referred to as intestate property. The property passes by the laws of descent and distribution found in Chapter 802b of the Connecticut General Statutes.

Contingency compromise: The necessity for this type of compromise arises when, because of language in a will or a trust instrument, the taking party or an amount to be received by a taking party cannot be determined as of the date of death, but must await the outcome of certain contingencies that are to happen sometime in the future. If any and all possible contingencies would result in a nontaxable estate, file Form S-2. If the result of certain contingencies would result in a taxable estate, file Form S-1.

Supporting Documentation

A copy of the death certificate must be attached to each copy of the tax return. If real estate is reported, DRS may request a copy of the deed and the assessed value or a written appraisal. Refer to Schedule 2 of the tax return for additional supporting documentation requirements.

Certificate of Opinion of No Tax

Generally, the Probate Court is responsible for issuing the Certificate of Opinion of No Tax.

Release of Lien and Consents to Transfer

Generally, the Probate Court issues the release of lien on real property. Under Connecticut law, a consent to transfer (or waiver) on intangible personal property is not required. See **Special Notice 2001(8), 2001 Legislation Affecting Succession Tax**, for more information.

Determination of Beneficiary Class

You may determine the beneficiary class by reading the information below or by referring to the Alphabetical Listing of Relationship of Beneficiary to Decedent. A person is a:

Class AA beneficiary if he or she is the decedent's spouse. The marriage must be recognized according to Connecticut law.

Class A beneficiary if he or she is the decedent's parent, grandparent, adoptive parent, and a natural or adopted descendant of the decedent such as a daughter, son, grandchild, or great-grandchild.

Class B beneficiary if he or she is the decedent's brother or sister (full or half), a natural or adopted descendant of the decedent's brother or sister (niece or nephew related to decedent by blood or adoption), stepchild, or a spouse or unremarried widow(er) of the decedent's natural or adopted child.

Class C beneficiary if he or she is not a Class AA beneficiary, a Class A beneficiary, or a Class B beneficiary. For example, a Class C beneficiary may include the decedent's cousin, uncle, aunt, sister-in-law, brother-in-law, stepbrother, stepsister, or step-grandchild, niece or nephew related by marriage, as well as unrelated individuals, and associations or corporations that do not qualify as an exempt organization.

Alphabetical Listing of Relationship of Beneficiary to Decedent

Relationship	Class of Beneficiary
adoptive parent	A
adopted descendant (child, grandchild, great-grandchild) ...	A
aunt	C
brother (full or half)	B
brother-in-law	C
child (natural or adopted daughter or son)	A
cousin	C
daughter-in-law (spouse, or unremarried widower of the decedent's son)	B
friend	C
grandchild, great-grandchild	A
grandparents	A
nephew or niece of decedent (related to decedent by blood or adoption)	B
nephew or niece of decedent's spouse (related to decedent by marriage)	C
parent	A
sister (half or full)	B
sister-in-law	C
son-in-law (spouse or unremarried widower of the decedent's daughter)	B
spouse (husband or wife)	AA
stepbrother or stepsister	C
stepchild	B
step-grandchild	C
stepparent	C
uncle	C

Note: Spouses of blood relatives, as well as relatives of the decedent's spouse, are not blood relatives.

Tax Tables

For the most current tax tables for each beneficiary class, refer to **Form C-107, Tax Tables for Succession and Transfer Taxes**.

Exempt Organizations: The tax tables do not cover the net taxable estate passing to any charitable, educational, literary, scientific historical, religious, or government-related organization, which is exempt from succession tax.

Amended Return

If you are filing an amended return, check the Amended Return box on the front of the return and complete the return with the corrected figures.

Connecticut Estate Tax

For estates of decedents dying on or after July 1, 2004, and before January 1, 2005: The estates of decedents dying on or after July 1, 2004, and before January 1, 2005, are subject to a special Connecticut estate tax, rather than to the regular Connecticut estate tax under Chapter 217 of the Connecticut General Statutes.

The special Connecticut estate tax is computed by using the applicable exclusion amount (and the applicable credit amount) under I.R.C. §2010(c):

- As if a decedent dying on or after July 1, 2004, and before January 1, 2005, had died during calendar year 2002; and
- Applying I.R.C. §2010(c) as it was in effect for the estate of a decedent dying during calendar year 2002.

See **Special Notice 2004(1.1), Special Estate Tax on Estates of Decedents Dying On or After July 1, 2004, and Before January 1, 2005**, for more information.

For estates of decedents dying before July 1, 2004: Whenever a resident estate is required to file federal Form 706, United States Estate (Generation-Skipping Transfer) Tax Return, the estate is required to file **Form CT-706, Connecticut Estate Tax Return**. Whenever a nonresident estate owning real property or tangible personal property, or both, located in Connecticut is required to file federal Form 706, the estate is required to file Form CT-706.

The Connecticut estate tax is a transfer tax that absorbs the credit allowable for state death taxes on federal Form 706, thereby shifting a portion of the federal estate tax to Connecticut by picking up the credit allowed for state death taxes under the Internal Revenue Code.

For estates of decedents dying on or after January 1, 2005: The Connecticut estate tax does not apply to estates of decedents dying on or after January 1, 2005.

How to Get Help

If you have any questions, contact the Inheritance/Estate Tax Section from 8:00 a.m. to 5:00 p.m., Monday through Friday at **860-297-5737**.

Forms and Publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at www.ct.gov/DRS
- Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX.

The forms mentioned in these instructions are also available from Connecticut probate courts.