

# OHIO ESTATE TAX RETURN AND INSTRUCTIONS



Revised 3/00

**For completing the Ohio Estate Tax Return for estates with dates of death July 1, 1993, please review the following:**

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**First:** Read the General Information Section located on pages 19 and 20 for instructions.

**Then:** Complete only the applicable schedules of the return, which are on pages 4 through 17. A blank continuation schedule is located on page 18.

**When you are finished:**

**First:** Check your computation.

**Then:** Follow the instructions in the General Information Section, page 19, for where to file and pay.

**Note:** Estates with dates of death **PRIOR** to July 1, 1993 must file an Ohio Estate Tax Form 2, Revised 7/90.

**For further information, please contact the Estate Tax Division's toll-free information and assistance line**

**at**

**1 (800) 977-7711**

**( Ohio Relay Service )**

**1 (800) 750-0750**

## Ohio Estate Tax Return for all Resident Filings for Dates of Death on or After July 1, 1993

**File in Duplicate with the Probate Court**  
Check one:  Taxable  Nontaxable

Estate of: Decedent's last name	Decedent's first name and initial	Date of death
Date of birth	Cause of death	Occupation Decedent retired Yes <input type="checkbox"/> No <input type="checkbox"/>
Address of decedent at time of death (number and street, city, state and ZIP code)		Decedent's social security number
County in Ohio in which probate court located, where will probated or estate administered		Case number

### Tax Computation

1. Total gross estate (from page 2)		\$
2. Total deductions (from page 2)	\$ (                    )	
3. Net taxable estate (line 1 minus line 2)		\$
4. Tentative tax based on line 3 (use table on page 2)		\$
5. Less: Estate tax credit	\$ (        500.00        )	
6. Tax (line 4 minus line 5)		\$
7. Less: Previous payments	\$ (                    )	
8. Balance due (if amount on line 7 is less than tax amount on line 6, enter difference as balance due)		\$
9. Overpayment (if amount on line 7 is greater than tax amount on line 6, enter difference as a refund)	\$ (                    )	

### Executor/Administrator Waiver to Receive Correspondence

I/we do not wish to receive further correspondence from the Ohio Department of Taxation regarding this estate, and hereby authorize all such communication to be directed only to the estate's legal representative named below.

\_\_\_\_\_  
Signature of executor/administrator

### Declaration

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer other than the deceased's personal representative or person in possession of property is based on all information of which preparer has any knowledge.

Name of attorney representing the estate	Address (number and street, city, state and ZIP code)	Telephone number
Name of executor/administrator(s)	Address (number and street, city, state and zip code)	Telephone number
Signature of executor/administrator(s)	Date	Signature of preparer Date

Date Filed with Probate Court	<b>Distribution of Subdivision's Share of Tax</b> (O.R.C. Section 5731.48 and 5731.50)		Date Received by Ohio Department of Taxation
	Percentage	City, Village or Township	

## Recapitulation of Assets

Schedule	Alternate Value	Value at Date of Death
A. Real property .....	\$ _____	\$ _____
B. Stocks and bonds .....	_____	_____
C. Mortgages, notes and cash .....	_____	_____
D. Insurance .....	_____	_____
E. See Schedule E, Part I .....	_____	_____
Joint and Survivorship Property, Part II .....	_____	_____
F. Other miscellaneous property .....	_____	_____
G. Transfers during lifetime .....	_____	_____
H. Powers of appointment .....	_____	_____
I. Annuities, pensions, retirement plans .....	_____	_____
<b>Total gross estate (enter on line 1, page 1) .....</b>	<b>\$ _____</b>	<b>\$ _____</b>

## Recapitulation of Deductions

Schedule	Amount
J. Debts and administration expenses .....	\$ _____
K. Charitable bequests .....	_____
L. Marital deduction .....	_____
<b>Total deductions (enter on line 2, page 1) .....</b>	<b>\$ _____</b>

## Elections by the Executor

<i>Please check the "yes" or "no" box for each question. (See explanation of elections on pages 20 and 21.)</i>	Yes	No
1. Do you elect alternate valuation? O.R.C. Section 5731.01(A) and (D)	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you elect qualified farm property valuation? O.R.C. Section 5731.011	<input type="checkbox"/>	<input type="checkbox"/>
3. Do you elect to claim a marital deduction for qualified terminable interest property (QTIP)? O.R.C. Section 5731.15(B)(2)	<input type="checkbox"/>	<input type="checkbox"/>

## Tax Table

<u>Net Taxable Estate</u> (from line 3, page 1)	<u>Tax Rate</u>
Not more than \$40,000	2% of taxable estate
More than \$40,000 but not more than \$100,000	\$800 + 3% of excess more than \$40,000
More than \$100,000 but not more than \$200,000	\$2,600 + 4% of excess more than \$100,000
More than \$200,000 but not more than \$300,000	\$6,600 + 5% of excess more than \$200,000
More than \$300,000 but not more than \$500,000	\$11,600 + 6% of excess more than \$300,000
More than \$500,000	\$23,600 + 7% of excess more than \$500,000

## Information

	Yes	No
1. Did the decedent die testate? ..... <b>If "yes," please attach a copy of the will.</b>		
2. During the decedent's lifetime, were there any trusts created (by the decedent or others for the decedent)? ..... If "yes," please attach a copy of the trust.		
3. Were any disclaimers filed or elections to take against the will made? ..... <b>If "yes," please attach copies of the disclaimer or election.</b>		
4. Have federal gift tax returns ever been filed? ..... <b>If "yes," please attach copies of the returns.</b>		
5. Was a federal estate tax return required? ..... <b>If "yes," please attach pages 1, 2 and 3 of Federal Form 706.</b>		

6. Marital status of the decedent at time of death:

- Married  
 Name of surviving spouse (if applicable) \_\_\_\_\_  
 Social security number of surviving spouse \_\_\_\_\_  
 Single  
 Legally separated  
 Divorced  
 Widowed  
 Name of deceased spouse \_\_\_\_\_  
 Social security number of deceased spouse \_\_\_\_\_  
 Date of death of deceased spouse \_\_\_\_\_  
 Case number of deceased spouse's estate \_\_\_\_\_  
 County of deceased spouse's estate \_\_\_\_\_

7. If widow or widower, was a qualified terminable interest property (QTIP) deduction elected in the predeceased spouse's estate? .....

Yes	No

**If "yes," please read information below and complete Schedule F, page 10.**

Section 5731.131 O.R.C. requires the estate to include property in which the decedent had an income interest for life for which a marital deduction was allowed with respect to the transfer of that property under any of the following:

- a. O.R.C. Section 5731.15(A)(1) (for dates of death on or before June 30, 1993)
- b. O.R.C. Section 5731.15(B) (for dates of death on or after July 1, 1993)
- c. I.R.C. Section 2523(f) (lifetime QTIP gift tax election)
- d. Where the decedent's predeceased spouse was not a resident of the state of Ohio but was permitted a marital deduction under I.R.C. Section 2056(b)(7).

Estate of:

## Schedule A – Real Estate

(Jointly owned property must be listed on Schedule E)

List any interest in real estate that the decedent owned or had contracted to purchase. Only probate real estate held in the decedent's name alone or held by the decedent as a tenant in common is reported on Schedule A (**report jointly owned property on Schedule E**).

For real estate held by decedent as a tenant in common, submit the deed or other appropriate documentation indicating proof of decedent's fractional interest. If a qualified farm property valuation election is made, please submit documentation as noted on page 21.

Item Number	Description	Qualified Farm Value	Value at Date of Death
1.			
Total from continuation schedule(s)			
<b>Total (also enter on Recapitulation of Assets, page 2)</b>			

## Schedule A

Estate of:

## Schedule B – Stocks and Bonds

(Jointly owned property must be listed on Schedule E)

Furnish number of shares, whether common or preferred at par value. List the exchange, such as New York Stock Exchange (N.Y.S.E.), American Stock Exchange (A.S.E.), and NASDAQ National Market (O.T.C.). Include any accrued divi-

dends due as separate items. List all bonds including local, state and U.S. government. Include total face amount, obligor, kind and rate of interest, date of maturity, interest due dates plus accrued interest to date of death.

**Did the decedent, at the time of death, own any interest in an unincorporated business or any stock in an inactive or closely held corporation? If yes, please provide the valuation method on an attached sheet. All partnership and sole proprietorship interests should be listed under Schedule F.**

Yes	No

Item Number	Description	Alternate Valuation Date	Alternate Value	Value at Date of Death
1.				
Total from continuation schedule(s)				
<b>Total (also enter on Recapitulation of Assets, page 2)</b>				

## Schedule B

Estate of:

## Schedule C – Mortgages, Notes and Cash

(Jointly owned property must be listed on Schedule E)

List the date of death value for all types of deposits in which the decedent had an interest including all accrued interest, P.O.D.'s, trustee deposits, cash and Certificates of Deposit.

**Bank Accounts:** List name of banking institution, account number and balance at date of death (including accrued interest).

**Mortgages and Promissory Notes:** List face value and unpaid balance, execution and maturity dates, name of maker, description of property mortgaged and interest dates and rates.

**Land Contracts:** List name of vendee, execution date, sale price and unpaid balance, interest rate and description of property.

Item Number	Description	Alternate Valuation Date	Alternate Value	Value at Date of Death
1.				
Total from continuation schedule(s)				
Total (also enter on Recapitulation of Assets, page 2)				

### Schedule C

Estate of:

## Schedule D – Insurance

(Jointly owned property must be listed on Schedule E)

Insurance on the life of the decedent payable to a beneficiary other than the estate, is not includible for Ohio estate tax purposes. Insurance payable to the estate and insurance con-

tracts, such as a matured endowment or supplemental contract wherein the insurance or risk feature ceased prior to death, are includible for Ohio estate tax purposes.

Item Number	Description	Value at Date of Death
1.		
Total from continuation schedule(s)		
<b>Total (also enter on Recapitulation of Assets, page 2)</b>		

### Schedule D

Estate of:

## Schedule E – Joint and Survivorship Assets

(O.R.C. Section 5731.10)

### Part I – Interests held by the decedent and spouse as the only joint tenants

**Include only one-half (1/2) of the total value** without regard to actual contribution by each spouse (for other joint interests, please complete Part II on the following page).

Item Number	Description	Alternate Valuation Date	Alternate Value	Value at Date of Death
1.				
Total from continuation schedule(s)				
<b>Total (also enter on Recapitulation of Assets, page 2)</b>				

### Schedule E, Part I

Estate of:

## Schedule E – Joint and Survivorship Assets

(O.R.C. Section 5731.10)

**Part II – All Other Joint Interests**

The full value of the joint property is presumed to be part of the gross estate, but the presumption may be overcome if it is established that a part of the property originally belonged to or was contributed by the other co-tenant(s). Supporting docu-

mentation should be attached if the estate claims the decedent held only a partial interest.

For joint accounts held between spouses and any additional parties, subtract any contribution by those parties and report the balance at one-half (1/2) value. State the name, relationship and address of each surviving co-tenant.

	Name	Relationship	City and State
A.			
B.			
C.			
D.			

Item Number	Enter Letter for Co-tenant	Description	Percentage Includible	Alternate Value	Value at Date of Death
1.	A.				
Total from continuation schedule(s)					
<b>Total (also enter on Recapitulation of Assets, page 2)</b>					

### Schedule E, Part II

Estate of:

## Schedule F – Miscellaneous Property

(Jointly owned property must be listed on Schedule E)

All property not reported on any other schedule is reported on this schedule. Include partnership interests, sole proprietorship or other business interests with supporting information for valuation including goodwill. Also include claims of decedent, rights, royalties, reversionary or remainder interests, tax refunds, judgments, unpaid wages, household goods, personal effects, automobiles, trailers, farm products, machinery, stored

and/or growing crops and collections (such as coins and stamps).

Qualified terminable interest property (QTIP) is included in the estate of a surviving spouse when either a full or partial QTIP deduction was previously allowed on the estate or gift tax return of the first spouse to die.

Item Number	Description	Alternate Valuation Date	Alternate Dalue	Value at Date of Death
1.				
Total from continuation schedule(s)				
<b>Total (also enter on Recapitulation of Assets, page 2)</b>				

### Schedule F

Estate of:

**Schedule G – Transfers During Decedent’s Life**

**1. Transfers in Contemplation of Death** (O.R.C. Section 5731.05). Any transfer in excess of \$10,000 per year per donee made by the decedent within three years of death for less than adequate consideration is presumed to be in contemplation of death and is includible in the Ohio gross estate, unless proof to the contrary can be provided. Interests that do not qualify as present interests for the federal gift tax \$10,000 exclusion will not qualify for the Ohio \$10,000 exclusion. Transfers made between spouses should not be included in the gross estate, but should be listed for informational purposes only.

**2. Transfers with Retained Enjoyment** (O.R.C. Section 5731.06). The value of the gross estate shall include the value of any property or interest herein that the decedent transferred for less than adequate consideration and in which the decedent retained (a) the income or right to possession and enjoyment until the decedent’s death or (b) the right, either alone or in conjunction with any person, to designate the person(s) who shall enjoy the property or income therefrom.

**3. Transfers with Reversionary Interest Retained** (O.R.C. Section 5731.07). The value of the gross estate shall include the value of any transfer of property or interest therein made by the decedent for less than adequate consideration where (a) the possession or enjoyment can be obtained by the other person only by surviving the decedent and (b) the decedent retained a reversionary interest by express terms of the instrument which had a value as of the date of death in excess of 5% of the value of property transferred.

**4. Transfers Subject to Change** (O.R.C. Section 5731.08). Any property or interest therein transferred by the decedent without adequate consideration where the enjoyment on the date of death was subject to any change through the exercise of a power by the decedent alone or in conjunction with any person to alter, amend, revoke or terminate is includible in the value of the gross estate.

Item Number	Description	Alternate Valuation Date	Alternate Value	Value at Date of Death
1.				
Total from continuation schedule(s)				
<b>Total (also enter on Recapitulation of Assets, page 2)</b>				

**Schedule G**

Estate of:

## Schedule H – Powers of Appointment

(Jointly owned property must be listed on Schedule E.)

The value of the gross estate shall include any property over which the decedent had at any time exercised or released a general power by a disposition (or a general power not exer-

cised at death) that, if it were a transfer by the decedent, would have been includible in the estate.

Item Number	Description	Alternate Valuation Date	Alternate Value	Value at Date of Death
1.				
Total from continuation schedule(s)				
<b>Total (also enter on Recapitulation of Assets, page 2)</b>				

### Schedule H

Estate of:

**Schedule I – Annuities, Pensions, Retirement and  
Other Employer Death Benefit Plans**

(Jointly owned property must be listed on Schedule E.)

All annuity interests held by the decedent must be shown. List payments under commercial annuity contracts, IRAs or similar contracts, all employer bonus plans, deferred compensation contracts and employer death benefit plans, unless specifically excluded under O.R.C. Section 5731.09(A) or (C), effective for dates of death on or after March 7, 1997, and to the extent **documentation is provided**, the value of the gross estate shall not include that portion of an annuity or other death benefit plan contributed by decedent's employer.

Teachers Insurance and Annuity Association (TIAA) and College Retirement Equity Fund (CREF) benefits are **not** exempt from taxation. These funds do not fall into the same category as the State Teachers Retirement System, therefore must be included under this schedule. For further information, please refer to E.T. Bulletin 1, revised 3/97.

Item Number	Description	Value at Date of Death
1.	<b>Calculation of Annuity(s)</b>	
Total from continuation schedule(s)		
<b>Total (also enter on Recapitulation of Assets, page 2)</b>		

**Schedule I**

Estate of:

## Schedule J – Debts and Administration Expenses

(The deductions must reflect the interest held by decedent.)

Include only those debts that are outstanding as of the date of death, but only to the percentage attributable to the decedent. If the decedent owned credit life insurance on an asset listed in the gross estate, claims equaling the insurance proceeds are not an allowable deduction. Name all creditors and describe nature of the claim. List only attorney and fiduciary fees that have been or actually will be paid. Income taxes on

income received after date of death and real and personal property taxes not accrued before date of death are not deductible. Only administration expenses and debts that may be claimed on both the Federal Forms 706 and 1041 will be allowed to be claimed on both the Ohio Estate Tax Return and the Ohio Estate Income Tax Return, pursuant to O.R.C. Section 5747.01(S)(8) and I.R.C. Reg. Section 1.642(g).

Item Number	Item	Amount
1.		
Total from continuation schedule(s)		
<b>Total (also enter on Recapitulation of Assets, page 2)</b>		

### Schedule J

Estate of:

## Schedule K – Charitable Deduction

If the charitable character of the organization is not obvious by its name, attach a copy of the exemption letter received by the organization from the I.R.S., stating that bequests to the organization are exempt for federal estate tax purposes. Note that Ohio law differs from federal law in two aspects: (1) there are no unitrust requirements for an Ohio charitable deduction; and (2) if federal and state death taxes are payable out of the

amount of property passing to the charity, the amount of the deduction is not reduced by such taxes.

**For charitable deductions other than specific bequests, please attach a copy of the computation showing how the value of the charitable deduction was determined.**

Name and Address of Beneficiary	Character of Institution	Amount
Total from continuation schedule(s)		
<b>Total (also enter on Recapitulation of Assets, page 2)</b>		

### Schedule K

Estate of:

## Schedule L – Marital Deduction Reconciliation

1. Enter the total of Schedule M, Part I (property interests passing outright to the surviving spouse that are NOT subject to a QTIP election) ..... \$ \_\_\_\_\_
2. Enter the total of Schedule M, Part II (property interests passing to the surviving spouse for which a QTIP election was made) ..... \$ \_\_\_\_\_
3. Add lines 1 and 2 and enter total here and on Recapitulation of Deductions, Schedule L, page 2 ..... \$ \_\_\_\_\_

## Schedule M – Bequests to Surviving Spouse Part I – Property Interests That Are Not Subject to a QTIP Election

Complete this schedule indicating the assets passing to the surviving spouse. **(Note: Itemization is not necessary where spouse receives entire estate outright.)**

If provision has not been made by the decedent's will for the debts and expenses of administration, the spouse's interest in the residue could be reduced for these expenses.

**Qualified Terminable Interest Property (QTIP) Deduction**  
– If you elect a QTIP deduction under O.R.C. Section 5731.15, you must list on Part II of Schedule M all of the property for which you are making the election.

Item Number	Description of Net Property Interests Passing to the Surviving spouse	Value
1.		
Total from continuation schedule(s)		
Total value of Schedule M, Part I (also enter on Schedule L, line 1, page 16)		

### Schedule M, Part I

Estate of:

<b>Schedule M – Bequests to Surviving Spouse</b> <b>Part II – Property Interests That Are Subject to a QTIP Election</b>
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**Election to Deduct Qualified Terminable Interest Property Under O.R.C. Section 5731.15(B)** – If a trust (or other property) meets the requirements of qualified terminable interest property and

a. The trust or other property is listed on Schedule M, Part II, in whole or in part, then unless the executor specifically identifies the trust (all or a fractional portion or percentage) or other property to be excluded from the election, the executor shall be deemed to have made an election to have such trust (or other property) treated as qualified terminable interest property.

b. If less than the entire value of the trust (or other property) included in the gross estate is entered as a deduction under Schedule M, Part II, the estate shall be considered to have made an election only as to a fraction of the trust (or other property). The numerator of this fraction is equal to the amount of the trust (or other property) deducted on Schedule M, Part II. The denominator is equal to the total value of the trust (or other property).

Item Number	Description of Property Interests Passing to the Surviving Spouse (describe portion of trust for which allocation is made)	Value
1.		
<b>Note:</b> If you use a continuation page for Part II, be sure that it is clearly labeled as Schedule M, Part II.		
Total from continuation schedule(s)		
<b>Total value of Schedule M, Part II (also enter on Schedule L, line 2, page 16)</b>		

**Schedule M, Part II**

Estate of:

<b>Continuation Schedule</b> <b>Continuation of Schedule _____</b>
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Item Number	Description	Alternate Valuation Date	Alternate Value	Value at Date of Death
1.				

**Total (enter total on appropriate schedule)**

**Schedule \_\_\_\_\_**

## General Information

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**When an estate tax return is required (Section 5731.21)**

Estates with a gross value over \$25,000 are required to file an ET Form 2. Executors and administrators are responsible for filing the estate tax return.

Returns are not required to be filed for gross estates with a value of \$25,000 or less. **However, if the estate consists of real estate and has a value of \$25,000 or less, an ET Form 22, Part B should be filed with the probate court. This will expedite the release of the real estate lien.**

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**What estate tax form is required to be completed (Section 5731.21)**

If the date of death was **before July 1, 1993**, Ohio Estate Tax Return, Revised 7/90, is required to be filed.

If the date of death was **on or after July 1, 1993**, Ohio Estate Tax Return, Revised 3/99, is required to be filed.

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**When and where to file (Section 5731.21)**

Returns are required to be filed within nine months from decedent's date of death. All filings must be made in duplicate with the probate court where will is probated or estate is administered.

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**When and where to pay (tax and interest) (Section 5731.23)**

Interest begins to accrue at variable rates nine months from decedent's date of death. The county auditor will calculate any interest owing. Tax and interest are paid at the county auditor's office, with the check drawn to the order of the county treasurer.

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**Extension of time to file (Section 5731.21)**

The estate representative may apply for an extension of time to file by submitting an ET form 24. This form should be completed and mailed directly to the Estate Tax Division before the due date of the return. An extension, if granted, is for a maximum of six months per request.

If any further extensions are necessary, another ET form 24 should be submitted within the extended period. Interest from the estate tax due is assessed and payable regardless of whether an extension of time to file has been applied for and approved. To stop the accrual of interest, an estimated payment of tax may be made. (See explanation of estimated payments on page 20.)

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**Extension of time to pay (Section 5731.25)**

Estates of decedents with a date of death on or after July 24, 1986 may request to extend the time for payment of tax for undue hardship. Specific examples of undue hardship are listed in the Ohio Revised Code and include, but are not limited to, the following: (1) insufficient liquid funds despite efforts to convert assets to cash; (2) a substantial portion of the assets of the gross estate consisting of rights to receive payments in the future; and (3) the inability to accurately determine the size of the gross estate because a substantial portion of the decedent's assets is subject to litigation.

The estate must request this extension on the ET Form 41, no later than 45 days before the due date of the estate tax return. This form must be filed directly with the Estate Tax Division. Additional extensions must be filed not less than thirty (30) days before the expiration of the previous extension. Each extension is granted for no more than one year per request. Additional extensions may be granted annually up to a maximum of 14 years. For further information, please refer to ET Bulletin 3A.

**Estimated payments  
(Section 5731.23)**

An estimated payment can be made prior to the filing of the estate tax return, by using an ET form 17. This payment will stop the accrual of interest on the amount of tax paid.

Estimated payments are collected in the same manner as stated on page 19 in **When and Where to Pay**. If the tax ultimately assessed is more than the estimated payment, interest on the excess will accrue nine months from decedent's date of death. If the tax ultimately assessed is less than the estimated payment, the estate may be eligible for a refund.

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**Penalties  
(Section 5731.22)**

Failure to timely file the estate tax return (determined with regard to any extension approved) results in a penalty assessment.

The penalty is five (5) percent per month or any fraction of a month, not to exceed twenty-five (25) percent of the tax as finally determined. Interest does not accrue on penalty assessments.

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**Nonresident estates  
(Section 5731.19)**

The estate of a nonresident decedent must file ET Forms 2 and 4 if the decedent owned the following types of property: real property situated in Ohio; tangible personal property having an actual situs in Ohio; and intangible personal property employed in carrying on a business within Ohio (unless exempted under Section 5731.34). The filing requirements are the same as for a resident decedent, except the return may be filed directly with the county probate court where the Ohio property is located. To support evidence of domicile, an ET forms 20, Affidavit of Domicile, should be completed and submitted directly to the Estate Tax Division.

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**Additional tax  
(Sections 5731.18,  
5731.19 and 5731.24)**

An additional tax is due when the federal state death tax credit exceeds the Ohio tax paid. If an estate (resident or nonresident) falls into the federal estate tax category, ET Forms 3 or 3N (Additional Tax Returns) may be required to be filed. The return and payment are due sixty (60) days after the date of the final determination of the federal estate tax liability (closing letter or equivalent as issued by the I.R.S.). The additional tax shall be paid, without notice or demand by the Tax Commissioner, with the return, and shall be filed and paid in the same manner as the estate tax, except that interest begins to accrue sixty (60) days after the date of the final determination of the federal estate tax liability.

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**Distribution of tax  
(Sections 5731.48 and  
5731.50)**

For dates of death after June 30, 1983, sixty-four (64) percent of the tax is distributed to the municipal corporation, village or township in which the tax originates and thirty-six (36) percent to the state of Ohio.

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**Marital deduction  
(Section 5731.15)**

A marital deduction may be taken for certain property interests that pass from the decedent to the surviving spouse. Property interests that should be listed include the following: (1) survivor of tenancy by the entirety or joint tenancy; (2) appointee under decedent's exercise of a power; (3) statutory interests passing to a spouse as a result of a right of election to take against the will; and (4) bequests from decedent pursuant to will.

Property interests that should not be listed include: (1) property that does not pass from decedent to surviving spouse; (2) qualified terminable interests for which QTIP election is not made; and (3) property that has been disclaimed by a surviving spouse under O.R.C. Section 1339.60.

**For further information, please contact the Estate Tax Division's  
Toll-free Information and Assistance Line at  
1-800-977-7711.**

## Explanation of Elections

### Alternate Valuation Date (O.R.C. Section 5731.01(A) and (D))

The gross estate may be valued on the decedent's date of death or on an alternate valuation date. The alternate valuation date is six months from date of death unless the property item is sold, disposed of or distributed within that six months.

The executor must make an election by checking "yes" in the Elections Section of the return. This election is mutually exclusive of the federal election. However, it must be elected

within one year and nine months from the date of decedent's death or within one year from any extensions granted by the tax commissioner. Once made, this election is irrevocable.

If alternate valuation is elected, please list both date of death values and alternate values, and the alternate valuation date on the applicable schedules.

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### Qualified Farm Property Valuation (O.R.C. Section 5731.011)

The estate may elect Qualified Farm Property Valuation for determining the value of farm property as an alternative to its fair market value. To have qualified farm property valued at this special valuation, certain conditions must be met. \* **This election must be made on a timely filed return determined with regard to any approved extensions of time to file.**

To help expedite the audit, please attach the following:

1. A complete ET Form 34 and 34A from Probate Court;
2. Most recent county auditor real estate property record;

3. Current Agricultural Use Valuation (CAUV) cards (from county auditor);

4. Fair market value appraisal (broken down into one-acre homesite, improvements and bare land only).

If the qualified farm property valuation is elected, use the qualified farm property value column in Schedule A or identify the qualified property under Schedule E or G.

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\*Please refer to ET Bulletin 5.

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### Qualified Terminable Interest Property (QTIP) (O.R.C. Section 5731.15)

The Qualified Terminable Interest Property (QTIP) election allows certain life estates held for the surviving spouse to qualify for the marital deduction.

The requirements for QTIP are the following:

1. Surviving spouse must receive all the income for life payable annually or at more frequent intervals; and
2. No one can have a power to appoint the property to any person other than the surviving spouse during surviving spouse's life; and
3. The executor must make an election by checking "yes" in the Elections Section of the return. Once the election is

made, it is irrevocable. This election must be made on a timely filed return determined with regard to any approved extensions of time to file.

The executor may make a partial QTIP election only if it is in the form of a fraction or percentage of available QTIP property. The specific interest should be clearly identified as QTIP.

The surviving spouse's estate must include all QTIP property claimed in the first spouse's estate, to the extent not consumed or given away, at the value on the date of death of the surviving spouse.