Form 708 — preparation workpapers

Daniel Example | Calendar year 2025 | Version 1

Preparation record — retain with your files; do not mail

Reviewer: Jordan Sample, CPA
Rules: form708-2026.10.06.1
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Source: https://www.irs.gov/forms-pubs/about-form-708
Filer: Individual U.S. citizen or resident
Due date: 06/15/2027 (the 15th day of the 18th month after the year of receipt); extended due date 12/15/2027
Extension filed (line 9): No; protective (line 10): No

Part II — tax computation (USD)

Line	Description	Amount
1	Total covered gifts and covered bequests (Part IV, Section 4, line 4)	560,000.00
2	Section 2801(c) amount	19,000.00
3	Taxable amount	541,000.00
4	Tax at 40%	216,400.00
5	Foreign gift or estate taxes (Part V, line 4)	0.00
6	Total tax	216,400.00
7	Paid with Form 7004	0.00
8	Tax due	216,400.00
9a	Overpayment	0.00

Part IV, Section 1 — covered gifts and covered bequests

Item	From	Type	Date	Value	Valuation
A1	Margaret Example	gift	05/01/2025	500,000.00	Cash: the amount of the wire received.

Part VI — section 2801 ratio, Example Alpine Trust

Date	Contribution	Pre value	Post value	Pre covered	Covered?	Post covered	Ratio
01/01/2015	1,000,000.00	0.00	1,000,000.00	0.00	Yes	1,000,000.00	1.00
01/01/2020	1,000,000.00	1,500,000.00	2,500,000.00	1,500,000.00	No	1,500,000.00	0.60

Part IV, Section 2 — distributions from non-electing foreign trusts

SAMPLE — NOT FOR FILING

Sample return from Agena Software. All names and numbers are fictional.

Item	Date	Value	Ratio	Taxable value
B1	03/01/2025	100,000.00	0.60	60,000.00

Rounding

Section 2801 ratios are rounded to two decimal places, as Part IV, Section 3 and Part VI, column (h) direct, and the rounded ratio is carried to the next line. Amounts are rounded to cents.

Review issues

No blocking validation issues.

Review reminders

Margaret Example is living. If they do not authorize the IRS to disclose their return information to you, they are presumed a covered expatriate unless you can document otherwise (Reg. 28.2801-7(b)(2)).
Distributions from a non-electing foreign trust: attach a copy of each trust's governing instrument. Section 2801 tax paid on such a distribution may be deductible for income tax in the year paid (Reg. 28.2801-4(a)(3)(ii)). Report the distribution on Form 3520 as well.
Pay the $216,400.00 tax due by June 15, 2027; an extension of time to file does not extend the time to pay.
Due June 15, 2027: the 15th day of the 18th month after the year of receipt. Form 7004 extends filing by 6 months.

Preparer notes

None

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