

CHARITABLE GIFT ANNUITY DEDUCTIONS (PER \$10,000 CONTRIBUTED)

Age	Payout Rate*	Deduction (4.0% AFR)	Age	Payout Rate*	Deduction (4.0% AFR)	Age	Payout Rate*	Deduction (4.0% AFR)
55	4.3%	\$3,468	70	5.6%	\$4,283	85	8.3%	\$5,687
56	4.3	3,599	71	5.7	4,385	86	8.5	5,820
57	4.4	3,587	72	5.8	4,495	87	8.7	5,956
58	4.5	3,582	73	5.9	4,612	88	8.9	6,093
59	4.6	3,586	74	6.1	4,648	89	9.2	6,191
60	4.7	3,597	75	6.2	4,779	90	9.5	6,293
61	4.7	3,751	76	6.4	4,835	91	9.5	6,509
62	4.8	3,776	77	6.6	4,901	92	9.5	6,716
63	4.9	3,809	78	6.8	4,978	93	9.5	6,912
64	5.0	3,850	79	7.1	4,994	94	9.5	7,098
65	5.1	3,899	80	7.3	5,093	95	9.5	7,275
66	5.2	3,958	81	7.5	5,199	96	9.5	7,441
67	5.3	4,026	82	7.7	5,313	97	9.5	7,598
68	5.3	4,213	83	7.9	5,433	98	9.5	7,746
69	5.4	4,401	84	8.1	5,558	99	9.5	7,886

* Payout Rates are rates recommended by the American Council on Gift Annuities. Charities historically have employed the Council's payout rates, but may pay higher or lower rates. Deductions assume quarterly payments.

CHARITABLE REMAINDER ANNUITY TRUST DEDUCTIONS ONE-LIFE TRUST FUNDED WITH \$100,000 (4.0% AFR)

Age of Beneficiary	\$5,000 Payout	\$6,000 Payout	\$7,000 Payout	\$8,000 Payout	\$9,000 Payout
60	\$31,888	None*	None*	None*	None*
65	40,183	None*	None*	None*	None*
70	48,956	None*	None*	None*	None*
75	57,898	\$49,477	None*	None*	None*
80	66,390	59,668	\$52,946	None*	None*
85	74,020	68,823	63,627	\$58,431	\$53,235
90	80,488	76,586	72,683	68,781	64,878

* Annuity trusts are disqualified, under the IRS's 5% probability test (Rev. Rul. 70-452, 1970-2 CB 199), if the probability that noncharitable beneficiaries will survive to the exhaustion of the trust fund exceeds 5%. Deductions shown reflect quarterly payments. The 5% probability test can be ignored if early termination language is included, pursuant to Rev. Proc. 2016-42. Lower AFRs increase the risk of failing the 5% probability test.

TERM OF YEARS ANNUITY TRUST FACTORS (4.0% AFR)

Years	Annuity	Years	Annuity	Years	Annuity	Years	Annuity
1	0.9615	6	5.2421	11	8.7605	16	11.6523
2	1.8861	7	6.0021	12	9.3851	17	12.1657
3	2.7751	8	6.7327	13	9.9856	18	12.6593
4	3.6299	9	7.4353	14	10.5631	19	13.1339
5	4.4518	10	8.1109	15	11.1184	20	13.5903

Deductions for charitable remainder annuity trusts lasting for a term of years (maximum of 20 years) are computed under annuity factors found in Table B, IRS Pub. 1457, according to the "applicable federal rate." Using the tables above (4.0% AFR), a 12-year annuity trust making annual payments would have an annuity factor of 9.3851. If the trust is funded with \$100,000 and pays \$5,000 annually, the value of the income interest is \$5,000 x 9.3851, or \$46,925.50, and charity's remainder interest is \$53,074.50. (The computation must be adjusted slightly if payouts are other than annual; see Table K, IRS Pub.1457.)

CHARITABLE LEAD TRUSTS: Deductions for charitable lead annuity trusts also are calculated with reference to Tables B and K, but the portion contributed is the income interest, not the remainder interest.

APPROXIMATE INCOME TAX DEDUCTIONS FOR TWO-LIFE ANNUITY TRUST FUNDED WITH \$100,000 Joint Beneficiaries (4.0% AFR)

Deduction if Beneficiaries Receive					
Ages of Beneficiaries	\$5,000 Annually	\$6,000 Annually	\$7,000 Annually	\$8,000 Annually	\$9,000 Annually
65/65	\$27,151	None*	None*	None*	None*
70/70	36,163	None*	None*	None*	None*
75/75	45,788	\$34,946	None*	None*	None*
80/80	55,471	46,566	\$37,660	None*	None*
85/85	64,670	57,604	50,538	\$43,472	None*
90/90	72,878	67,453	62,029	\$56,605	\$51,180

* Annuity trusts are disqualified, under the IRS's 5% probability test (Rev. Rul. 70-452, 1970-2 CB 199), if the probability that noncharitable beneficiaries will survive to the exhaustion of the trust fund exceeds 5%. The 5% probability test can be ignored if early termination language is included, pursuant to Rev. Proc. 2016-42.

CHARITABLE REMAINDER UNITRUSTS (4.0% AFR)

Age	Payout Rate/Percent of Gift Deductible					
	5.0%	6.0%	7.0%	8.0%	9.0%	10%
55	.32250	.26510	.22024	.18494	.15694	.13457
56	.33446	.27658	.23106	.19498	.16622	.14309
57	.34667	.28837	.24221	.20540	.17586	.15199
58	.35909	.30043	.25367	.21616	.18587	.16126
59	.37175	.31280	.26549	.22731	.19629	.17093
60	.38469	.32550	.27770	.23886	.20714	.18106
61	.39786	.33851	.29028	.25084	.21842	.19164
62	.41124	.35181	.30317	.26317	.23011	.20263
63	.42482	.36536	.31640	.27588	.24219	.21405
64	.43859	.37918	.32995	.28896	.25468	.22589
65	.45256	.39327	.34383	.30243	.26760	.23818
66	.46687	.40781	.35826	.31649	.28116	.25116
67	.48150	.42275	.37315	.33111	.29534	.26480
68	.49636	.43803	.38848	.34622	.31008	.27904
69	.51144	.45360	.40418	.36180	.32534	.29386
70	.52667	.46945	.42025	.37781	.34109	.30924
71	.54209	.48555	.43667	.39427	.35738	.32520
72	.55765	.50191	.45344	.41115	.37416	.34173
73	.57329	.51844	.47046	.42838	.39138	.35877
74	.58894	.53506	.48767	.44588	.40894	.37623
75	.60454	.55169	.50497	.46355	.42675	.39399
76	.62002	.56829	.52231	.48134	.44476	.41203
77	.63538	.58484	.53967	.49923	.46293	.43032
78	.65059	.60130	.55703	.51717	.48125	.44881
79	.66563	.61764	.57432	.53515	.49965	.46747
80	.68044	.63380	.59151	.55307	.51809	.48623
81	.69500	.64977	.60855	.57091	.53651	.50504
82	.70929	.66550	.62540	.58863	.55488	.52386
83	.72327	.68095	.64203	.60617	.57312	.54263
84	.73693	.69610	.65838	.62349	.59119	.56128
85	.75022	.71089	.67442	.64055	.60906	.57978
86	.76313	.72533	.69013	.65729	.62666	.59806
87	.77563	.73935	.70543	.67367	.64392	.61606
88	.78772	.75297	.72034	.68968	.66086	.63377
89	.79937	.76612	.73480	.70526	.67738	.65109

To calculate the approximate deduction for a transfer to a one-life charitable remainder unitrust, determine the age of the income beneficiary, then find the deductible percentage in the appropriate payout rate column. For example, a donor who establishes a unitrust paying 6% for the life of a 65-year-old beneficiary could deduct .39327 (39.327%) of the amount transferred in trust. A \$100,000 transfer would create a charitable deduction of \$39,327. The above tables assume an applicable federal rate of 4.0% (rates change every month) and quarterly payments to the beneficiary. For different applicable federal rates and payment frequencies, refer to Tables U and F, IRS Pub.1458.

UNITRUST TERM OF YEARS REMAINDER FACTORS (4.0% AFR)

Number of Years	5.0%	6.0%	7.0%	8.0%	9.0%
1	.95121	.94145	.93169	.92193	.91217
2	.90480	.88633	.86805	.84996	.83205
3	.86066	.83444	.80875	.78360	.75898
4	.81867	.78558	.75351	.72242	.69232
5	.77873	.73959	.70204	.66603	.63151
6	.74074	.69629	.65408	.61403	.57605
7	.70460	.65553	.60940	.56609	.52545
8	.67023	.61715	.56778	.52190	.47930
9	.63754	.58102	.52900	.48115	.43721
10	.60644	.54700	.49286	.44359	.39881
11	.57685	.51498	.45920	.40896	.36378
12	.54872	.48483	.42783	.37703	.33183
13	.52195	.45645	.39861	.34760	.30269
14	.49649	.42973	.37139	.32046	.27611
15	.47227	.40458	.34602	.29545	.25186
16	.44924	.38089	.32239	.27238	.22974
17	.42733	.35860	.30037	.25112	.20956
18	.40649	.33761	.27985	.23151	.19116
19	.38666	.31785	.26074	.21344	.17437
20	.36780	.29924	.24293	.19678	.15906

The above deduction percentages assume quarterly payments and an applicable federal rate of 4.0%. For different AFR percentages and payout frequencies, see Tables D and F, IRS Pub.1458.

CHARITABLE LEAD TRUSTS: Deductions for charitable lead unitrusts also are calculated with reference to Tables D and F, but the portion contributed is the income interest, not the remainder interest. Deduction percentages (factors) are complements of the remainder interest percentages shown above. For example, the income interest factor for a 20-year charitable lead unitrust paying 5% is equal to 1.0 minus the remainder interest factor of .36780, or .63220.

APPROXIMATE INCOME TAX DEDUCTIONS FOR TWO-LIFE UNITRUST FUNDED WITH \$100,000 Joint Beneficiaries (4.0% AFR)*

Ages of Beneficiaries	5.0% Annually	6.0% Annually	7.0% Annually	8.0% Annually	9.0% Annually
60/60	\$27,813	\$21,793	\$17,155	\$13,573	\$10,796
65/65	34,156	27,830	22,762	18,689	15,411
70/70	41,470	35,059	29,726	25,279	21,567
75/75	49,518	43,359	38,001	33,378	29,384
80/80	58,016	52,216	47,146	42,597	38,546
85/85	66,266	61,205	56,583	52,360	48,499

*Deductions and factors shown are representative samples based on the use of a 4.0% applicable federal rate (AFR) and quarterly payments. Actual numbers may vary, based on the monthly midterm rate used.

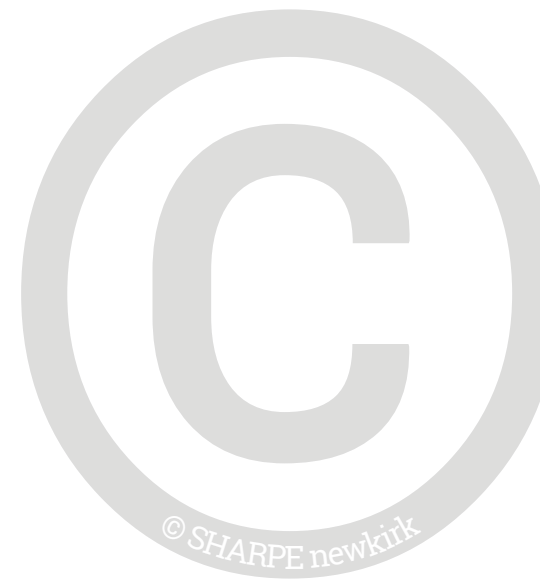
FEDERAL INTEREST RATE (AFR) SELECTION

In valuing deferred gifts, donors may choose tables using the most favorable applicable federal rate (AFR, or \$7520 rate) from that in effect for the month of the gift or from either of the two months preceding the month of the gift. Rates (120% of the midterm rate) are published on or about the 20th of each month by the IRS and appear at <http://www.irs.gov/app/picklist/list/federalRates.html>.

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| <p>Elect highest rate available</p> <ul style="list-style-type: none"> ■ Charitable remainder annuity trust ■ Charitable remainder unitrust ■ Charitable gift annuity (for large deduction) ■ Gift of remaining life estate in farm or personal residence | <p>Elect lowest rate available</p> <ul style="list-style-type: none"> ■ Charitable lead trusts ■ Gift of life income interest in charitable remainder trust ■ Charitable gift annuity (for large tax-free payout) ■ Remainder interest in farm or personal residence |
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CHARITABLE GIFT TECHNIQUES COMPARED

Technique	Income Tax Deduction	Special Considerations
Outright Gift of Cash or Long-Term Capital Gain Property	100% deductible in year of gift, up to 60% of donor's adjusted gross income (30% for long-term capital gain property). Five-year carryover for excess deductions.	Largest deductions; long-term capital gains tax avoided if appreciated property is contributed.
Charitable Remainder Annuity Trust	Present value of charity's remainder interest (10% minimum) deductible in year of gift, based on age of income beneficiaries and unvarying dollar amount to be paid each year (see preceding tables). 5% probability test limits maximum payouts generally to 5% or 6% when AFR is low, unless trust is to last for a term of years.	Stable annuity income for life (5% minimum) for beneficiaries of donor's choice; capital gains tax avoidance; possible tax-free income from trust; estate tax savings; trustee handles investments; can last for life or term of years up to 20.
Charitable Remainder Unitrust	Present value of charity's remainder interest (10% minimum) deductible, based on age of income beneficiaries, and percentage of value of trust assets to be paid annually. Higher payouts (not exceeding 50%) possible than annuity trust because 5% probability test does not apply. See preceding tables to figure deductions.	Same benefits as the annuity trust (above) except that payout is a percentage of the changing value of the trust assets (possible hedge against inflation). Also, additional contributions are permitted, and donor may elect to have trust pay the unitrust percentage or actual trust income, whichever is LESS.
Charitable Gift Annuity	Amount transferred to charity, less the present value of annuity retained for the life of the annuitant(s). Deductions identical to those afforded by charitable remainder annuity trusts, but much lower amounts needed to fund gift. Higher deductions if payment deferred for several years.	Payouts based on age or ages of income beneficiary(s). Maximum of two annuitants. If funded with appreciated property, capital gain is reduced and spread over donor/annuitant's life expectancy. Annuity income is partially tax free. Higher payouts for deferred payment gift annuities.
Qualified Charitable Distributions from IRAs	The owner of a traditional or Roth IRA can direct the custodian to make distributions directly to public charities. Transfers up to \$100,000 will be excluded from income. This exclusion is available to IRA owners over age 70½, but not to participants in other plans, such as 401(k) or 403(b) plans.	Distributions can satisfy part or all of donors' required minimum distributions, reducing taxable income (up to \$100,000). Only outright gifts qualify—not gifts to charitable remainder trusts or charitable gift annuities. Transfers to donor advised funds, private foundations or supporting organizations do not qualify.
Gift of Home or Farm with Reserved Life Estate	Present value of charity's remainder interest in land and structures less depreciation on structures during donor's life tenant's remaining life expectancy. "Home" includes any personal residence, including vacation property, condos, etc. "Farm" includes ranchland, and just a few acres may be contributed.	Donors who intend to bequeath farms or homes to charity can accomplish same result with this technique, but receive a current income tax deduction, and continue to use farm or home for life. Life estate can be reserved for one or more lives. Can be arranged by will (possible estate tax savings). Trust is not tax exempt.
Charitable Lead Trust	Present value of charity's income interest (if donor is owner of trust under grantor trust rules, generally via reversion to grantor). Donor is taxed on trust income.	Lead trusts are usually created for a term of years, with heirs as remainder beneficiaries (generally, no income tax deductions but federal transfer tax savings). Trust is not tax exempt.



2019 Federal Tax Pocket Guide

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FEDERAL INDIVIDUAL INCOME TAX RATES

Col. 1	Single Individuals		Joint Returns & Surviving Spouses		Heads of Households		Married Filing Separately	
	Taxable Income	Tax on Col. 1	Rate on Excess	Tax on Col. 1	Rate on Excess	Tax on Col. 1	Rate on Excess	Tax on Col. 1
\$ 0	\$ 0	10%	\$ 0	10%	\$ 0	10%	\$ 0	10%
9,700	970	12%					970	12%
13,850					1,385	12%		
19,400	4,543	22%	1,940	12%			4,543	22%
39,475					6,065	22%		
52,850	14,382.50	24%	9,086	22%			14,382.50	24%
78,950					31,322	32%		
84,200	46,628.50	35%	28,765	24%	45,210	35%	46,628.50	35%
160,700					82,354.75	37%		
160,725							32,748.50	32%
168,400			28,765	24%				
204,100	65,497	32%						
306,175	93,257	35%						
321,450								
408,200	153,798.50	37%	164,709.50	37%				
510,300								
612,350								

INCOME TAX RATES ON ESTATES AND TRUSTS

Taxable Income	From (Col. 1)	To	Tax on Col. 1	Rate Excess
2,600	9,300	260	24	
9,300	12,750	1,868	35	
12,750	Infinity	3,075.50	37	

STANDARD DEDUCTIONS

	Single Individuals	Joint Return/ Surviving Spouses	Heads of Households	Married Filing Separately
Basic	\$12,200	\$21,100	\$13,850	\$12,200
Over 65	13,850	25,700 (one) 27,000 (both)	20,000	13,500
Blind	13,850	25,700 (one) 27,000 (both)	20,000	13,500
Over 65 & Blind	15,500	27,000 (one) 29,600 (both)	21,650	14,800

Taxpayers may "itemize" deductions when deductions total more than the standard deductions shown. The increase in the basic standard deduction does not apply to tax years after 2025. The deduction is indexed for inflation using the chained consumer price index.

ITEMIZED DEDUCTIONS INCLUDE:

- State and local taxes. Taxpayers can deduct up to \$10,000 for state income or sales tax and real estate taxes.
- Mortgage interest. The interest on up to \$750,000 of total acquisition indebtedness is allowed on a first and second home.
- Medical expenses. Medical expenses are deductible to the extent they exceed 10% of AGI.
- Charitable gifts. Cash gifts to charity are deductible up to 60% of AGI; gifts of appreciated assets are deductible up to 30% of AGI. Excess deductions may be carried over for up to five additional years.

FEDERAL INCOME TAX ON CAPITAL GAINS

Net long-term capital gains on assets held more than 12 months are taxed generally at a maximum rate of 20% for filers in the 37% tax bracket, 15% for taxpayers in the 22%, 24%, 32% and 35% brackets and 0% for 10% and 12% bracket taxpayers. Children under age 19, or 24 if full-time college students, whose net unearned income exceeds \$2,200 are subject to tax under estates and trusts rates. Taxpayers with AGI in excess of \$200,000 (unmarried filers and heads of households) or \$250,000 (joint filers) are subject to an additional 3.8% tax on net investment income. A 28% top rate applies to long-term gain on collectibles. A 25% top rate applies to long-term gain on real estate attributed to depreciation claimed in past years (unrecaptured §1250 gain). Short-term gains are taxed at the taxpayer's highest ordinary income tax rates. Net short-term and long-term losses are deductible dollar-for-dollar against ordinary income up to \$3,000, with unlimited carryover for excess loss deductions.

FEDERAL INCOME TAX ON DIVIDENDS

The maximum tax rate on qualified dividends paid by corporations, mutual funds and real estate investment trusts to individuals is 20% for filers in the 37% tax bracket, 15% for taxpayers in the 22%, 24%, 32% and 35% brackets and zero for taxpayers in the 10% and 12% ordinary income brackets. Taxpayers with AGI in excess of \$200,000 (unmarried filers and heads of households) or \$250,000 (joint filers) are subject to an additional 3.8% tax on investment income.

FEDERAL ALTERNATIVE MINIMUM TAX

Alternative Minimum Taxable Income		Tax on Col. 1	Rate on Excess
From (Col. 1)	To		
\$ 0	\$194,800	\$ 0	26%
194,801	Infinity	50,648	28

An alternative minimum tax is imposed on "alternative minimum taxable income" over the applicable exemption amounts of \$71,700 for single taxpayers and heads of households, \$111,700 for joint returns, \$55,850 for married persons filing separately and \$25,000 for estates and trusts. Through 2025, phase-out thresholds are increased to \$1,020,600 (married filers and surviving spouses) or \$510,300 for all other individuals. AMT is payable only so far as it exceeds a taxpayer's regular income tax. "Alternative minimum taxable income" is the sum of a taxpayer's regular taxable income and any preference amounts, plus certain regular tax itemized deductions (not including charitable deductions) such as state and local taxes. Net operating losses not attributable to preferences are deductible. Examples of minimum tax preference items include amounts relating to depletion deductions, intangible drilling costs, incentive stock options, tax-exempt interest on nongovernmental-purpose bonds and accelerated depreciation on all property placed in service after 1986 that exceeds depreciation using the 150% declining balance method.

FEDERAL TAX ON TAXABLE CORPORATE INCOME

The tax rate for C corporations is a flat 21%. The corporate alternative minimum tax has been eliminated. Corporations are allowed a 50% deduction for dividends received from other domestic corporations (70% prior to 2018). There is a 65% deduction (previously 80%) for dividends received from a 20%-owned corporation. This is a corporation that is owned 20% or more by the taxpayer.

Bonus depreciation is allowed for qualified property acquired after September 27, 2017, according to the following schedule:

Placed into service	Percentage
After September 27, 2017 and before 2023	100%
After 2022 and before 2024	80%
After 2023 and before 2025	60%
After 2024 and before 2026	40%
After 2025 and before 2027	20%
After 2026	0%

Owners of pass-through business entities (S corporations, LLCs, partnerships, sole proprietorships) may deduct up to 20% of qualified business income. For certain service trades or businesses (e.g., accounting, athletics, financial services, health, law, brokerage services), the deduction is phased out when taxable income exceeds \$160,700 for single taxpayers and \$321,400 for joint filers.

FEDERAL GIFT TAX

Taxable Gift		Tentative Tax	
Col. 1 From	To	Tax on Col. 1	Rate on Excess
\$ 0	\$ 10,000	\$ 0	18%
10,000	20,000	1,800	20
20,000	40,000	3,800	22
40,000	60,000	8,200	24
60,000	80,000	13,000	26
80,000	100,000	18,200	28
100,000	150,000	23,800	30
150,000	250,000	38,800	32
250,000	500,000	70,800	34
500,000	750,000	155,800	37
750,000	1,000,000	248,300	39
1,000,000	Infinity	345,800	40

FEDERAL GIFT TAX FORMULA

- Aggregate of all prior and present taxable gifts* \$ _____
- Tentative gift tax on "A" (from current tax table) \$ _____
- Aggregate of all prior (only) *taxable gifts** _____
- Tentative gift tax on "C" (from current tax table) - _____
- Tentative gift tax on present gift ("B" less "D") \$ _____
- Gift tax credit \$ 4,505,800
- Aggregate gift tax credit taken for prior post-1976 gifts (but not more than "C") - _____
- Gift tax credit available for current gift ("F" less "G" but not more than "E") - _____
- Gift tax payable for current gift ("E" less "H") \$ _____

* A "taxable gift" means a gross gift (other than charitable gift) less:

- unlimited gift tax marital deduction, if gift is to spouse, and/or
- lesser of gift amount or \$15,000 (\$30,000 if spouse joins in the gift and the gift is to a third party) per donee per year in which gift is made. Annual exclusion for pre-1982 gifts: \$3,000, \$6,000 for "split" gifts; \$10,000/\$20,000 for gifts between 1982 and 2001; \$11,000/\$22,000 for gifts between 2002 and 2005; \$12,000/\$24,000 for gifts between 2006 and 2008; \$13,000 for gifts between 2009 and 2012; \$14,000 for gifts between 2013 and 2017; \$15,000 for gifts in 2018.

Annual Exclusions \$15,000 per donee; \$30,000 per donee for married couples who "split gifts"; \$155,000 per non-citizen spouse. Payments of medical expenses and tuition payments also are excluded from federal gift tax [IRC §2503(e)]. Contributors to a qualified tuition program who exceed \$15,000 may elect to treat the gift as if it had been made over a five-year period—in effect allowing a \$75,000 exclusion all in one year [IRC §529(c)(2)(B)]. Gifts of future interests are not eligible for gift tax exclusions.

Marital Deduction For gifts to a spouse who is a U.S. citizen, a 100% marital deduction is allowed (IRC §2523). The deduction is not available for gifts to a non-citizen spouse, but an annual exclusion of \$155,000 is permitted for 2019. Note: Gifts to a spouse that qualify for the gift tax marital deduction do not require the filing of a gift tax return.

Charitable Deduction In general, any gift deductible for income tax purposes is deductible for gift tax purposes (IRC §2522). A few charitable gifts (transfers to nongrantor charitable lead trusts or foreign charities, for example) may qualify for federal gift tax deductions

but not income tax deductions. The gift tax charitable deduction is unlimited. The gift tax charitable deduction is not limited to domestic organizations or to gifts for use within the United States [Reg §25.2522(a)-1].

Gift Tax Credit A \$4,505,800 gift tax credit shelters \$11,400,000 of taxable gifts in excess of the annual exclusion amounts.

Gift Tax Returns Individuals must file gift tax returns (Form 709) for (1) gifts of present interests in property in excess of \$15,000; (2) gifts of future interests in any amount; (3) gifts on which spouses "split" gifts. Form 709 is required for all charitable remainder trusts and other "split-interest" gifts [IRC §6019(3)]. Filing deadline is same as income tax returns.

FEDERAL ESTATE TAX

Taxable Estate		Tentative Tax	
Col. 1 From	To	Tax on Col. 1	Rate on Excess
\$11,400,000	Infinity	\$4,505,800	40%
(applicable exclusion amount)		(applicable credit amount)	

FEDERAL ESTATE TAX FORMULA

- Amount of taxable estate¹ \$ _____
- Aggregate of all post-1976 *adjusted taxable gifts*² + _____
- Sum of "A" and "B" \$ _____
- Tentative estate tax on "C" (see above) \$ _____
- Aggregate of all gift taxes paid on post-1976 gifts³ - _____
- Tentative estate tax ("D" less "E") \$ _____
- Basic exclusion amount plus any deceased spouse unused exclusion \$ _____
- Estate tax credit (tentative tax on "G") - _____
- Estate tax payable ("F" less "H" and any credits for foreign death taxes or tax on prior transfers) \$ _____

¹ "**Taxable estate**" means gross estate less all available deductions, including the estate tax marital deduction (if applicable), charitable deduction and state death tax deduction, subject to the following:

- If any post-1976 gifts were made by decedent within three years prior to death with respect to retained life interests, reversionary interests, revocable transfers, general powers of appointment or incidents of ownership in life insurance policies, the gross estate is "grossed up" to include—

(1) the aggregate of all such gifts made by decedent (and joining spouse), if any, during that period—excluding gifts which aggregate no more than (but only if total gifts, single or joint, do not exceed) \$15,000 (\$3,000 for pre-1982 gifts; \$10,000 for gifts between 1982 and 2001; \$11,000 for gifts between 2002 and 2005; \$12,000 for gifts between 2006 and 2008; \$13,000 for gifts between 2009 and 2012; \$14,000 for gifts between 2013 and 2017; \$15,000 for gifts in 2018) per donee per year made by decedent (but not excluding any portions of joint gifts attributable to spouse)—plus

- the aggregate of gift taxes on such post-1976 gifts made during that period by deceased (and joining spouse).

(b) The "**estate tax marital deduction**," if applicable, is unlimited in amount.

(c) The "**estate tax charitable deduction**" for bequests to charity is unlimited.

² "**Adjusted taxable gifts**" means total amount of post-1976 taxable gifts [gross gifts less all available deductions including \$15,000 (\$3,000 for pre-1982 gifts; \$10,000 for gifts between 1982 and 2001; \$11,000 for gifts between 2002 and 2005; \$12,000 for gifts between 2006 and 2008; \$13,000 for gifts between 2009 and 2012; \$14,000 for gifts between 2013 and 2017; \$15,000 for gifts in 2018) annual exclusion per donee (\$30,000 if spouse joins in gift), gift tax marital deduction and charitable gifts] other than such gifts that are included in the gross estate (see "1(a)(1)" above).

³ If any amount of gift tax attributable to a joining spouse's portion of a joint gift is included in a "gross up" of the decedent's gross estate ("1(a)(2)" above—re post-1976 gifts made within three years prior to decedent's death), that amount of gift tax is also included in "E." Otherwise, only the gift taxes attributable to the decedent's post-1976 gifts (or portions of joint gifts) are included in "E."

GENERATION-SKIPPING TRANSFER TAX

A generation-skipping transfer tax is imposed on gifts or bequests to persons more than one generation removed from the transferor ("skip persons") where there is a "taxable termination," "taxable distribution" or "direct skip." GST tax is in addition to any gift tax or estate tax that may be due. In general, the transferee pays the tax. Transferors have a \$11,400,000 lifetime GST tax exemption in 2019 and transfers to grandchildren and collateral heirs who are orphans are exempt. Lifetime exemption matches estate tax sheltered amount. Direct skips are taxed at the highest estate tax rate. To determine the tax on generation-skipping transfers from trusts, multiply the maximum federal estate tax rate (40%) by the "inclusion ratio." The inclusion ratio is 1 minus the "applicable fraction," which has as the numerator the amount of GST exemption allocated to the transfer, over the denominator that consists of the value of the property transferred minus any charitable deductions allowed under §§2055 or 2522 and any taxes owed by the reason of the generation-skipping transfer and which were recovered from the trust by the estate.

FEDERAL INCOME TAX CHARITABLE DEDUCTION

An income tax charitable deduction is allowed for charitable contributions made within a taxable year, subject to limitations based upon whether the donee is a 60% or 30% charity, whether the donor is an individual or corporation and what type of property is contributed. The 60% charities generally include churches, educational institutions, hospitals, governmental units, organizations receiving substantial support from governmental units or the general public and certain private foundations (operating foundations, distributing foundations and pooled fund foundations described in IRC §170(6)(1)(D)). The 30% charities include other organizations (mostly private foundations) described in IRC §170(c), but which do not qualify as 60% charities.

Ceiling on Charitable Deductions

Individual Donor Total deductions limited to 60% of donor's adjusted gross income with 5-year carryover. Gifts of trust income to 60% charity deductible up to 30% of AGI with 5-year carryover.

60% charity Total deductions limited to 60% of donor's adjusted gross income, with 5-year carryover.

30% charity Total deductions limited to 30% of donor's adjusted gross income, with 5-year carryover.

Corporate Donor Deduction is limited to 10% of taxable income with 5-year carryover.

Deduction is limited to 10% of taxable income with 5-year carryover.

Additional Limitations Based upon Type of Property Contributed

Cash **60% charity** Amount of cash **30% charity** Amount of cash

Ordinary Income Property Property that produces any gain other than long-term capital gain if sold at fair market value. **60% charity** Cost. 60%-of-adjusted-gross-income ceiling applies. Examples include inventory of a business owner, a work of art in the hands of the artist who created it and tangible property that has been depreciated. **30% charity** Cost 30%-of-adjusted-gross-income ceiling applies.

Long-Term Capital Gain Property Fair market value, not to exceed 30% of donor's adjusted gross income with 5-year carryover. Donors of long-term capital gain property can qualify for an enhanced ceiling by electing to reduce contribution deduction by 100% of the gain present in the property. Fair market value, for gifts of publicly held stock for which market quotations are readily available, not to exceed 20% of donor's adjusted gross income with 5-year carryover. For all other gifts, reduce fair market value by 100% of long-term capital gain element if donee is private foundation.

Tangible Personal Property That Is Unrelated to Charity's Purposes Fair market value, reduced by 100% of long-term capital gain element. 60%-of-AGI ceiling applies. Fair market value, reduced by 100% of long-term capital gain element. 20%-of-AGI ceiling applies.

Appraisal Requirements Qualified appraisals generally are required for non-cash gifts valued at more than \$5,000 and closely held stock worth more than \$10,000. No appraisal is required for gifts of publicly traded securities. The appraisal is summarized on Form 8283. Form 8283 must be filed for all non-cash gifts in excess of \$500, even if no appraisal is required.