

# NumberCruncher 2024

## Visual Release Notes

July 2024

- I. Executive Outline
- II. Executive Summary
- III. Detailed Discussion (with Illustrations)

**Note:** Prior versions of NumberCruncher and QuickView will be deactivated effective **September 1, 2024**.

Our goal is to get all NumberCruncher and QuickView users “on the same page.”

# I. Executive Outline

July 2024

## **Leimberg, LeClair & Lackner, Inc. (“L3”)**

Steve Leimberg (1943 – 2022)

Bob LeClair

40<sup>th</sup> Anniversary of NumberCruncher

## **NumberCruncher 2024.00 (Build 36)**

59<sup>th</sup> build since 5/9/2023 Build 40 release (2023.00 Builds 41 => 63, 2024.00 Builds 1 => 36)

Over 1,000 adjustments

1,865 developer screen shot markups (2018 – 2024)

Amounts increased to \$9.99B in many modules

Usage statistics (of 151,212 module accesses during the past two years)

Estate Tax: 25%

Prior Gifts: 9%

CRUT, GRAT, QPRT, CRAT, CLAT, CLUT (descending order): 26.2% total (avg 4.4% each)

Other 107 modules: 40% combined

Help Screens updated

**Estate Tax Exclusion:** \$14.01M (2025: estimated) (need Jul-Aug chained CPI)

\$ 7.00M (2026: estimated) + 2025 chained CPI

\$5M x 1.4007915 = \$7,003,957 rounded to nearest \$10K

Updates through the year 2100 now automatic and immediate

Sunset, DSUE, Anti-Clawback\*

\* NumberCruncher’s treatment of these topics is unparalleled

**Gift Exclusion** (Annual per donee): \$19K (2025: estimated) (need Jul-Aug chained CPI)

**Individual Income Tax:** 2026 brackets estimated based on 2017 brackets + chained CPI

2017 rates reinstated (10-15-25-28-33-35-39.6)

**Actuarial Calculations:** Final regulations with Table 2010CM (6/1/2023)

Longer life expectancy

Lower remainder factors

Higher life estate and annuity factors

Transition period for Table 2000CM or 2010CM (5/1/19 – 6/1/23)

## **Other Year-Specific Changes:**

**State Estate Tax:** CT 2025-26: aligned with federal; marginal rate will remain 12%

MA \$2M exclusion effective 1/1/2023

NY Circ: \$676,232.12 add’l tax (6.76B % marginal rate) on add’l \$0.01

Decoupled state estate tax results (13 juris, taxable estates \$2M - 100M)

**61<sup>st</sup> Annual Hawaii Tax Institute** (November 3-7, 2024): Vince Lackner speaking on Nov. 3 (Estate and Gift Tax)

## II. Executive Summary

July 2024

**Greetings to NumberCruncher and QuickView Customers, One and All.**

We have lots of news to report to you today.

**Steve Leimberg (1943 – 2022).** As we wrote in our 5/8/2023 Release Notes, NumberCruncher co-founder Steve Leimberg (who died on 12/1/2022) was our very own “**Most Interesting Man in the World**”. Thanks to you, your colleagues, and your friends, his legend lives on. Our tribute to him has now been viewed nearly 80,000 times:

<https://leimberg.com>

**40<sup>th</sup> Anniversary.** First built in 1984 on VisiCalc (the very first spreadsheet ever invented), NumberCruncher is now celebrating its 40<sup>th</sup> year of serving the estate planning and financial planning needs of practitioners around the country.

On behalf of NumberCruncher’s 10,000+ users at 3,500+ firms, we continue to thank co-founders Steve Leimberg and Bob LeClair for their extraordinary contributions to the field over these many, many years. Steve’s widow Jo-Ann, as well as Bob and Jeanne LeClair, all send their warmest wishes to all users, because you are the ones who have allowed this business to flourish.

For years NumberCruncher has been referred to as “**Steve Leimberg’s NumberCruncher**”.

In honor of the living legend Bob LeClair, we are pleased to announce that we are renaming the monthly DataNet Newsletter to “**Bob LeClair’s DataNet Newsletter**”.

### A. NumberCruncher 2024.00 Build 36

59<sup>th</sup> build since 5/9/2023 Build 40 release (2023.00 Builds 41 => 63, 2024.00 Builds 1 => 36)

Over 1,000 adjustments made across various modules

1,865 screen shot markups (2018 – 2024)

Menu name adjustments (10 in 2023, 2 in 2024)

Amounts: now accept up to \$9.99B in various modules

User statistics: 25% estate tax, 9% gift tax, 26% (actuarial), 40% (all others combined)

Prior versions of NumberCruncher to be deactivated on 9/1/2024

Help screens: updated

**Trick for fast preview:** click on the magnifying glass in the upper left of the screen, then the full-screen widget in the upper right. You can then print from there.

\* = NumberCruncher module name

## **B. Federal Estate Tax**

### \* EstGift Tax

Basic Exclusion Amount ("BEA"): \$14.01M (2025: estimated)

Sunset in 2026

BEA: \$7.00M (2026: estimated)

$\$5.00M \times 1.40079147 = \$7,003,957$ , then rounded to nearest \$10K = \$7.00M

Anti-Clawback

Example 4

Deceased Spouse's Unused Exclusion ("DSUE")

Visual Calculator

### \* Bypass

### \* ProjectEstTax

### \* Mar. Ded.

### \* Interrelated

### \* 6166

## **C. Federal Gift Tax**

Annual Exclusion per Donee \$19K (2025: estimated)

### \* Prior Gifts

Max gift simplified

### \* Gift Exclusion: Estate Tax Advantage

### \* Net Gift

## **D. Income Tax**

### \* Individ. Tax

2024 Brackets/Rates

2026 Projections

Brackets revert to 2017 levels (but inflated per chained CPI)

Rates revert to 2017 (10-15-25-28-33-35-39.6)

Personal exemptions restored to 2017 levels (but inflated per chained CPI)

Standard deductions reduced to 2017 levels (but inflated per chained CPI)

## **E. Actuarial Calculations**

Final regulations with Table 2010CM (6/1/2023)

Transition period for Table 2000CM or 2010CM (5/1/2019 – 6/1/2023)

### \* QPRT

### \* GRAT (Build 40 rounded factor to five decimals, Build 46 and later restored to four decimals)

### \* CRUT

Tables 2000CM and 2010CM consistently applied throughout modules as required before and after the transition period, with a user option to select either table during the transition period.

## **F. State Estate Tax**

- \* CT: \$13.61M (2024)  
\$14.01M (2025: estimated)  
Marginal Rate 2026 (12%)  
Anti-Clawback for pre-2026 CT Gifts?
- \* MA: exclusion now \$2M (effective 1/1/2023)
- \* NY: interrelated calculation can generate \$676,232.12 additional tax (6.76 billion % marginal rate) on \$0.01 of additional taxable estate (example)
- \* Other States

## **G. Other Year-Specific Changes**

- \* Income Shift
- \* §199A/Qualified Business Income Tax Deductions
- \* §6166
- \* Pre-59<sup>1/2</sup>: New life expectancy values required 1/1/2022. Our algorithm for life expectancies based on two lives now matches all 14,641 values in the new regulations.

## **H. 61<sup>st</sup> Annual Hawaii Tax Institute, Waikiki (November 3 - 7, 2024)**

Vince Lackner, President of Leimberg, LeClair & Lackner, Inc., has been honored by an invitation to co-present on Federal Estate and Gift Tax on the first day of this Institute (Sunday, November 3, 12 noon – 5 pm).

The Institute typically attracts some 1,000 attendees and has just opened for registration:

<https://hawaiitaxinstitute.foundation.configio.com/>

Vince plans to make his portion of the presentation visual, interactive, and animated, with some ChatGPT thrown in. Hoping for a good turnout from our loyal NumberCruncher users!

### **III. Detailed Discussion (with Illustrations)**

July 2024

## A. NumberCruncher 2024.00 Build 36

# NumberCruncher Adjustments

EstateTax	685	7520	22	LifeEstate	5
GRAT	199	Clawback	20	IncomeShift	4
IncomeTax	85	Portability	18	FutureValue	4
PriorGifts	84	DSUE	17	IDIT	3
AFR	83	Pre59-1/2	15	CorpEstateTrustIncome	3
CRUT	72	Annuity	15	303	3
CRAT	69	6166	15	GRUT	2
GainHarvesting	50	ProjectEstateTax	12	GRIT	2
QuickView	48	Actuarial	12	NetGift	1
Factors	42	CPI	11	DepositGrowth	1
CLAT	36	Interrelated	10	ContingentReversion	1
QPRT	34	Confiscate	10	Analyzer	1
PrivateAnnuity	33	PresentValue	8	Amortization	1
Sunset	30	Probability	7	2057	1
ByPass	27	CLUT	7		<u>1,865</u>
LifeExpectancy	23	IRMAA	6		
199A	23	SCIN	5		

# NumberCruncher Adjustments

199A	23	CPI	11	LifeEstate	5
2057	1	CRAT	69	LifeExpectancy	23
303	3	CRUT	72	NetGift	1
6166	15	DepositGrowth	1	Portability	18
7520	22	DSUE	17	Pre59-1/2	15
Actuarial	12	EstateTax	685	PresentValue	8
AFR	83	Factors	42	PriorGifts	84
Amortization	1	FutureValue	4	PrivateAnnuity	33
Analyzer	1	GainHarvesting	50	Probability	7
Annuity	15	GRAT	199	ProjectEstateTax	12
ByPass	27	GRIT	2	QPRT	34
CLAT	36	GRUT	2	QuickView	48
Clawback	20	IDIT	3	SCIN	5
CLUT	7	IncomeShift	4	Sunset	30
Confiscate	10	IncomeTax	85		<u>1,865</u>
ContingentReversion	1	Interrelated	10		
CorpEstateTrustIncome	3	IRMAA	6		



# Sample of the 1,865 Screen Shot Markups (2018 – 2024)

State Death Taxes Menu (F5)

### Estate and Gift Tax Computation

Tax Calculation:  Estate  Gift

Date of Death: 6/30/2024

Gross Estate: \$168,807,012

Deductions: \$85,411,815

Pre-1977 Taxable Gifts: \$0

Adjusted Taxable Gifts (current year): \$11,593,382

Unified Credit Used by Gifts (current year):  **Missing these**

Deceased Spouse Year of Death: 2023

Deceased Spousal Unused Exclusion: \$0

Inflation Rate for Exclusion: 2.000%

Calculate State Death Tax:

State:  **Missing these**

Out-of-State Property:  **Missing these**

Copy to:  Prior Gifts Model

Use Prior Gifts model to calculate Unified Credit!

**1. Quit, then File, Reopen**  
**2. File, New, then Reopen**

**Missing these**

**If you Reopen a \*second\* time, the missing values come in.**

Summary Graph Extended Summary View

#### Federal Tax Calculations

Federal Basic Exclusion Amount:	\$13,610,000
1. Gross Estate:	\$168,807,012
2. Deductions:	- \$85,411,815
3a. Tentative Taxable Estate:	\$83,395,197
3b. Deductions for State Death Taxes:	\$0
3c. Taxable Estate:	\$83,395,197

# Menu Name Changes (2023 and 2024)

Below are the modules whose names were changed to make them more intuitive:

2023.00		2024.00		Steve Leimberg's NumberCruncher 2024.00.35				Stephan R. Leimberg (1943 - 2022)	
Customer Portal		Cases & Rulings		• Estate Planning Tools		◦ Financial Planning Tools			
Valuation	Tools of Estate Planning	Trusts	Charitable	Estate Planning Techniques	Taxes	Retirement	Present / Future Value	§199A	
Capital	Inclusion	GRIT/QPRT	CRAT	Gift Exclusion	EstGift Tax	Lump Sum	PV Annuity	General	
Val. EPS	SCIN	GRAT	CRUT	§6166	Prior Gifts	Confiscate	PV LumpSum	>1 Entity	
Book Val.	Priv. Ann.	GRUT	CLAT	§2057	ProjectEstTax	Pre-59½	Deferred Cmp	Estate/Trust	
Goodwill	Factors	IDIT	CLUT	Redemption	Mar. Ded.	Cash Need	FV Annuity	SuperDed	
Key Empl.	Gen. Skip	Dynasty	Table I	§303	Table 2001		FV LumpSum	C vs S Corp	
Spec. Use	GSTT	Split	Interrelated	Install	Net Gift		Deposit Grow	E'ee vs Ind	
Ratios	§529	Bypass		Group Trm	Individ. Tax		Life Exp.	Farm	
	Gift Loans	Cont. Rev.		Inc. Shift	CorpEstTrst		Chances		

## Old Name

## New Name

### NumberCruncher 2024.00

QPRT  
Project

GRIT/QPRT  
ProjectEstTax

### NumberCruncher 2023.00

Inter  
Exclusion  
Estate Tax  
Corp. Tax  
Receipts  
Discount  
Deferred  
Future  
Compound  
Deposit

Interrelated  
Gift Exclusion  
EstGift Tax  
CorpEstTrst  
PV Annuity  
PV LumpSum  
Deferred Comp  
FV Annuity  
FV LumpSum  
Deposit Grow

## B. Federal Estate Tax

### 1. Automatic Updates to Basic Exclusion Amount (“BEA”) and Annual Gift Exclusion

You will now see the 2025 exclusions as early as mid-September 2024. This includes the Annual Gift Exclusion per donee, which surprisingly jumped from \$15K (2021) to \$16K (2022) to \$17K (2023) to \$18K (2024). On or about September 13 every year, the U.S. Bureau of Labor Statistics releases the “chained” Consumer Price Index (CPI) data for the month of August. The inflation adjustments for the following calendar year depend on the chained CPI numbers for September of the previous year through August of the current year. Based on these numbers, we can now project with a high degree of certainty what the BEA and the Annual Gift Exclusion will be for the next year.

Our current projections for 2025 (based on chained CPI through June 2024) are as follows:

Estate Tax: \$14.01M (BEA)  
Gift Tax: \$19K (Annual Gift Exclusion per donee)

**Once we update the NumberCruncher table within a day or two after that September CPI announcement, the exclusions will be immediately reflected in every user’s version of NumberCruncher.**

We will display a message that these exclusions are subject to confirmation by the IRS, usually in late October or early November. Once these exclusions are confirmed, we will then suppress that message from NumberCruncher. **This way, you will no longer need to wait for a NumberCruncher update in order to run estate or gift tax projections using these new numbers.**

2. **Sunset and Clawback.** With the “Sunset” of the increased federal estate tax exclusion scheduled to occur on January 1, 2026, this brings the issue of “clawback” into play. Fortunately, NumberCruncher has implemented the “anti-clawback” regulation by adjusting the “Applicable Credit Amount” to account for pre-2026 gifts made in excess of the reduced exclusion that will be available in 2026 and later. See “4. Summary and Extended Summary Views”, below.

### 3. Adjusted Taxable Gifts and Unified Credit Used by Gifts.

- a) No Prior Gifts entered in the Prior Gifts Model. NumberCruncher displays “(current year)” at the end of each field name and will base the Unified Credit Used by Gifts on the tax rate table in effect for that **current** year.
- b) Prior Gifts entered and “Copy to” box checked. NumberCruncher will calculate the “Adjusted Taxable Gifts” and “Unified Credit Used by Gifts” based on these gifts entered between 1977 and the current year. It will display “Adjusted Taxable Gifts (after 1976)”.
- c) By checking the “Copy to” button, you can toggle conveniently b/w the Estate Tax and Prior Gift modules.

Tax Calculation:	Estate	
Date of Death:	7/27/2024	
Gross Estate:	\$14,610,000	
Deductions:	\$0	<input type="checkbox"/> Copy to:
Pre-1977 Taxable Gifts:	\$0	<b>Prior Gifts Model</b>
? Adjustable Taxable Gifts (current year):	\$10,000,000	
Unified Credit Used by Gifts (current year):	\$3,945,800	
<input type="checkbox"/> Deceased Spouse Year of Death:	2023	
Deceased Spousal Unused Exclusion:	\$0	

Use Prior Gifts model to calculate Unified Credit!

Tax Calculation:	Estate	
Date of Death:	7/27/2024	
Gross Estate:	\$14,610,000	
Deductions:	\$0	<input checked="" type="checkbox"/> Copy to:
Pre-1977 Taxable Gifts:	\$0	<b>Prior Gifts Model</b>
Adjustable Taxable Gifts (after 1976):	\$10,000,000	
Unified Credit Used by Gifts :	\$3,945,800	
<input type="checkbox"/> Deceased Spouse Year of Death:	2023	
Deceased Spousal Unused Exclusion:	\$0	

Use Prior Gifts model to calculate Unified Credit!

## Estate Tax Exclusion 2025 (tentative)

2010	CPI-U	217.16325	A
<b>2016</b>	<b>CPI-U</b>	238.64900	B
<b>2016</b>	<b>C-CPI-U</b>	135.99300	C
2024	C-CPI-U (Sep - Jun)	173.34717	D

1(f)(3)(B) Amount Determined			
<b>2016</b>	<b>C-CPI-U</b>	135.99300	C
		-----	0.56985 E
<b>2016</b>	<b>CPI-U</b>	238.64900	B

2010	CPI-U	217.16325	A
		0.56985	E
2010	CPI-U (adjusted)	123.74945	F

2024	C-CPI-U	173.34717	D
		-----	1.40079147 G
2010	CPI-U (adjusted)	123.74945	F

	10,000,000	H	5,000,000
	1.40079147	G	1.40079147
	14,007,915	I	7,003,957
Rounded to nearest \$10K	<b>14,010,000</b>	J	<b>7,000,000</b>

2024/07/11: Tentative C-CPI-U  
<https://www.bls.gov/cpi/data.htm>

**Note:** even though the 2026 exclusion is scheduled to drop to 50% of what it would otherwise be, it must then be rounded to the nearest \$10K. Thus, the projected 2026 exclusion of [\$7,003,957 rounded to nearest \$10K = **\$7,000,000**] rather than [\$14,010,000 x 50% = \$7,005,000 rounded to nearest \$10K = \$7,010,000]. Of course, inflation will increase the 2025 exclusion to something higher than \$14,010,000, so the rounded 50% figure will be somewhat higher than \$7,000,000.

4. **Summary and Extended Summary Views.** You will see that these views now track the 706 more closely, with line numbers down the left side. In addition:

- **Sunset:** Automatic for 2026 and later. The exclusion is now set to 50% of the current year's exclusion as adjusted for inflation in the intervening years.
- **Anti-Clawback:** Because we don't know how the 706 will handle this in 2026 and later, we have added an explicit calculation that illustrates the adjustment necessary to prevent "clawback". We increase the available credit by  $40\% \times (\text{excess of pre-2026 gifts over new exclusion amount})$  to create a "Clawback Adjustment."
- **Regulation Example #4:** When there is a DSUE available, a donor's gifts must first consume available DSUE before consuming a donor's own BEA. In a year when gifts exhaust the DSUE and then start to consume a donor's own BEA (a "hybrid" year), the regulations require a proration of the credit between DSUE and BEA.

See the "Visual Sunset Calculator" screens below.

In fact, there can be two such hybrid years:

Year #1: Donor/Survivor consumes some BEA, then spouse dies. For the balance of that year, the Donor/Survivor must consume DSUE until it is exhausted.

Year #2: Donor/Survivor consumes the rest of the DSUE, then continues to consumes some of his/her remaining BEA.

Assuming that the donor/survivor made no gifts before the first hybrid year, the effect of this proration is to allocate the \$54,200 difference between the tax on the first \$1M (\$345,800) and the simpler 40% on that first \$1M (\$400,000). We have concluded that, based on a \$14M gift ceiling through 2025 and a \$7M 2026 Sunset exclusion, the maximum difference that this proration can make in the most extreme case is \$36,133 ( $\$54,200 \times 2/3$ ), to the benefit of the estate.

This makes sense because calculating a credit in 2026 based solely on BEA would start at \$0 and ride up the brackets (18%, 20%, 22%, etc., until reaching the marginal rate of 40%). This would result in a certain effective tax rate that generates a credit to be applied against estate.

A credit that is based not solely on BEA but on a combination of BEA and DSUE would lead to a higher effective tax rate (farther "up the brackets") that generates a larger combined credit. Prorating that larger combined credit ( $\text{BEA} / (\text{BEA} + \text{DSUE})$ ) would lead to a larger credit than one based solely on BEA.

The following cross-check of the extreme case confirms this result:

Gifts that consume:

BEA / ( BEA + DSUE)

$\$7M / (\$7M + \$14M) = \$7M / \$21M = 33.33\% \times \$54,200 = \$36,133$

A literal application of Example 4 to this extreme example, with a 2025 gift of \$7M followed by a matching 2026 estate tax Sunset exclusion of \$7M, generates a tentative anti-clawback credit of \$36,133 that the estate doesn't need!

A particular challenge posed by Example 4 is that it requires a proration of the **credit equivalent** of the exclusion, taking into account donor gifts made before and after the one or two BEA-DSUE-BEA hybrid years. It's tricky working back and forth between exclusion and credit and is not for the faint of heart.

It will be interesting to see what 2026 706 worksheet the IRS eventually builds to implement Example 4 if Sunset in fact occurs. Or it can simply have practitioners click on this link and have our "Visual Sunset Calculator" do the math (Tab #5):

<https://leimberg.com/News/SneakPeek/Sunset>

### Example 1:

Donor has **\$14M** in assets

- a) No gifts ever made  
Donor dies in 2026  
Result: 1<sup>st</sup> \$7M protected from tax by BEA  
**2<sup>nd</sup> \$7M taxed at 40% = \$2.8M**
- b) Gifts in 2025: **\$14M**  
Donor dies in 2026  
Result: 1<sup>st</sup> \$7M protected from tax by BEA  
2<sup>nd</sup> \$7M protected from tax by "anti-clawback" credit

### Example 2:

Spouse predeceases on 1/1/2025 with DSUE of \$14M available to surviving spouse

Donor (surviving spouse) has **\$28M** in assets

- a) No gifts made by either spouse  
Donor dies in 2026  
Result: 1<sup>st</sup> \$ 7M protected from tax by BEA  
Next \$14M protected from tax by DSUE  
**Next \$ 7M taxed at 40% = \$2.8M**
- b) Gifts in 2025: **\$28M (first \$14M consumes DSUE; next \$14M consumes BEA)**  
Donor dies in 2026  
Result: 1<sup>st</sup> \$7M protected from tax by BEA  
Next \$14M protected from tax by DSUE  
Next \$ 7M protected from tax by "anti-clawback" credit

# Visual Sunset Calculator

<https://leimberg.com/News/SneakPeek/Sunset>

[be sure to consult the help screens by activating "Show Help"]

Assume

2025: \$14M exclusion

2026: \$ 7M exclusion

Single Person

1

2

3

#4-5-6

## Sunset

Maximize 2025 Gift Opportunity

Show Help

●

Single Person

Clear

Numbers (\$ millions)

Gifts	Estate Assets	Tax Base
14	0	14
L4	L1	L5

706 →

### Gift 2025

Gifts	BEA*
14	14

### Estate 2026

Estate	(b) BEA*	(c) Anti-Clawback	(d) Taxable @ 40%
7	7	7	7
7	7	7	7

14 L4 Gifts	
0 L1 Estate Assets	
14 L5 Tax Base	
-7 (b) BEA*	
-7 (c) Anti-Clawback	
0 (d) Taxable @ 40%	Taxable Tax @ 40%
	0.0 0.0

\* BEA Basic Exclusion Amount (Donor)

Leimberg, LeClair & Lackner, Inc. 6/9/2024



# Married Person Survivor Makes Gifts AFTER Spouse Dies

1
2
3

#4-5-6 **Sunset** Show Help

**Maximize 2025 Gift Opportunity**

Gifts AFTER Spouse Dies

Numbers (\$ millions)

Gifts	Estate Assets	Tax Base
28 <small>L4</small>	0 <small>L1</small>	28 <small>L5</small>

706 →

### Gift 2025

Gifts	DSUE	BEA*
14		14
	14	

### Estate 2026

Estate	(a) DSUE	(b) BEA*	(c) Anti-Clawback	(d) Taxable @ 40%
				(d) Taxable @ 40%
7			7	<b>Shelters</b> (c) Anti-Clawback
7		7		(b) BEA*
14	14			(a) DSUE

28	<small>L4</small> Gifts
0	<small>L1</small> Estate Assets
28	<small>L5</small> Tax Base
-14	(a) DSUE
-7	(b) BEA*
-7	(c) Anti-Clawback
0	(d) Taxable @ 40%
	<b>Taxable Tax @ 40%</b>
	0.0

\* BEA Basic Exclusion Amount (Donor)

\*\* DSUE Deceased Spousal Unused Exclusion

Leimberg, LeClair & Lackner, Inc. 6/9/2024

# Married Person Survivor Makes Gifts BEFORE Spouse Dies

1
2
3

#4-5-6 Sunset

Show Help  
●

Maximize 2025 Gift Opportunity

Gifts BEFORE Spouse Dies

706 →

Clear
Numbers (\$ millions)

<b>Gifts</b> <span style="font-size: 1.2em; font-weight: bold;">14</span> <small>L4</small>	<b>Estate Assets</b> <span style="font-size: 1.2em; font-weight: bold;">0</span> <small>L1</small>	<b>Tax Base</b> <span style="font-size: 1.2em; font-weight: bold;">14</span> <small>L5</small>
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### Gift 2025

Gifts	DSUE	BEA*
14		14

### Estate 2026

Estate	(a) DSUE	(b) BEA*	(c) Anti-Clawback	(d) Taxable @ 40%
				(d) Taxable @ 40%
7			7	<b>Shelters</b> (c) Anti-Clawback (b) BEA* (a) DSUE
7		7		
0	14			
14 L4 Gifts 0 L1 Estate Assets 14 L5 Tax Base				<b>0.0</b> <b>0.0</b>
0 (a) DSUE				
-7 (b) BEA*				
-7 (c) Anti-Clawback				
0 (d) Taxable @ 40%				<b>Taxable Tax @ 40%</b> <span style="font-size: 1.2em; font-weight: bold;">0.0</span>

\* BEA Basic Exclusion Amount (Donor)

\*\* DSUE Deceased Spousal Unused Exclusion

Leimberg, LeClair & Lackner, Inc. 6/9/2024

# Anti-Clawback Regulations (2019)

## Example 4

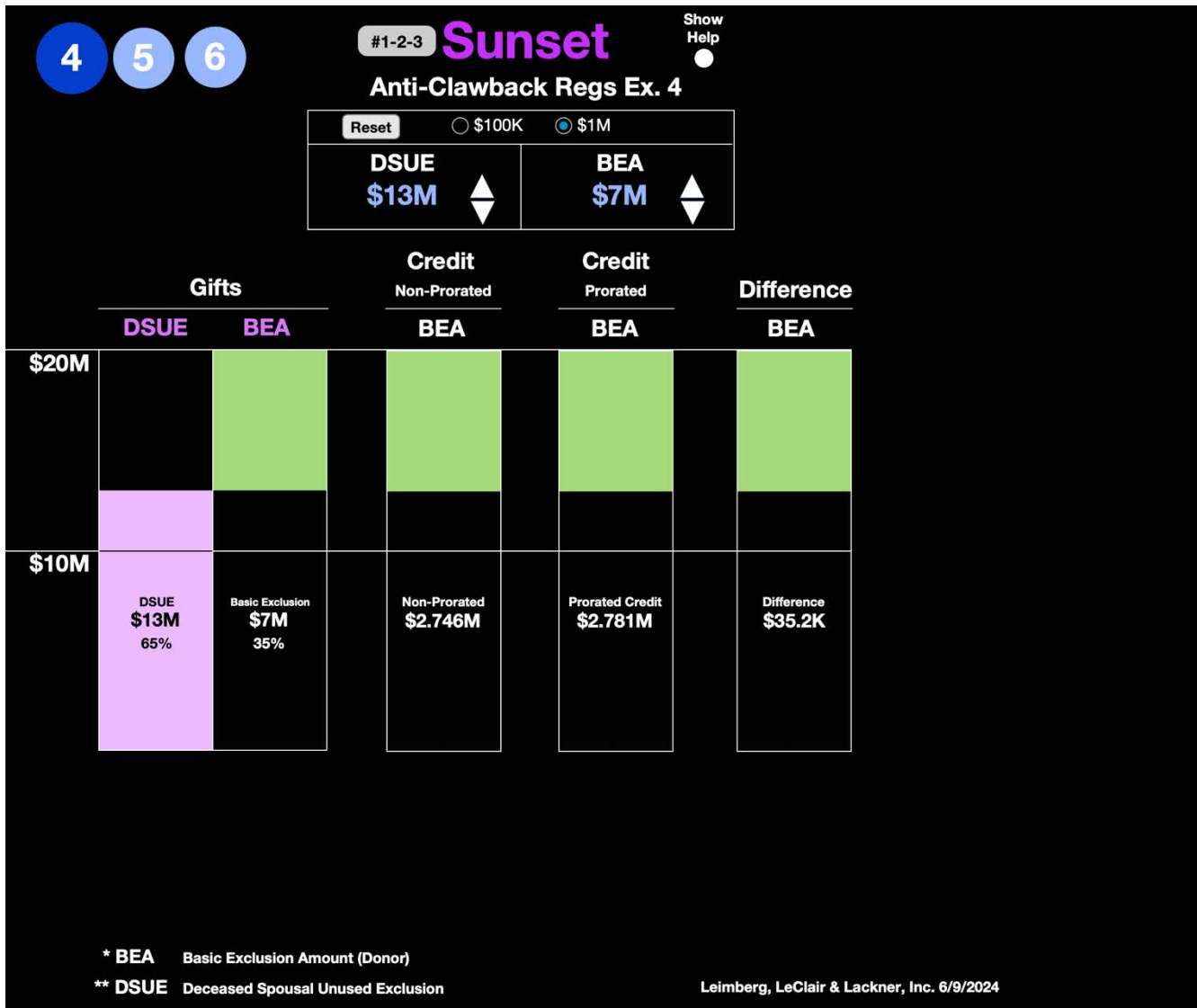
### Prorate 2026 Additional Estate Tax Credit Between DSUE and BEA

(iii) Example 3. Individual B's predeceased spouse, C, died before 2026, at a time when the basic exclusion amount was \$11.4 million. C had made no taxable gifts and had no taxable estate. C's executor elected, pursuant to [§20.2010-2](#), to allow B to take into account C's \$11.4 million DSUE amount. B made no taxable gifts and did not remarry. The basic exclusion amount on B's date of death is \$6.8 million. Because the total of the amounts allowable as a credit in computing the gift tax payable on B's post-1976 gifts attributable to the basic exclusion amount (zero) is less than the credit based on the basic exclusion amount allowable on B's date of death, this paragraph (c) does not apply. The credit to be applied for purposes of computing B's estate tax is based on B's \$18.2 million applicable exclusion amount, consisting of the \$6.8 million basic exclusion amount on B's date of death plus the \$11.4 million DSUE amount, subject to the limitation of [section 2010\(d\)](#).

(iv) Example 4. Assume the facts are the same as in Example 3 of paragraph (c)(2)(iii) of this section except that, after C's death and before 2026, B makes taxable gifts of \$14 million in a year when the basic exclusion amount is \$12 million. B is considered to apply the DSUE amount to the gifts before applying B's basic exclusion amount. The amount allowable as a credit in computing the gift tax payable on B's post-1976 gifts for that year (\$5,545,800) is the tax on \$14 million, consisting of \$11.4 million in DSUE amount and \$2.6 million in basic exclusion amount. This basic exclusion amount is 18.6 percent of the \$14 million exclusion amount allocable to those gifts, with the result that \$1,031,519 ( $0.186 \times \$5,545,800$ ) of the amount allowable as a credit for that year in computing gift tax payable is based solely on the basic exclusion amount. The amount allowable as a credit based solely on the basic exclusion amount for purposes of computing B's estate tax (\$2,665,800) is the tax on the \$6.8 million basic exclusion amount on B's date of death. Because the portion of the credit allowable in computing the gift tax payable on B's post-1976 gifts based solely on the basic exclusion amount (\$1,031,519) is less than the credit based solely on the basic exclusion amount (\$2,665,800) allowable on B's date of death, this paragraph (c) does not apply. The credit to be applied for purposes of computing B's estate tax is based on B's \$18.2 million applicable exclusion amount, consisting of the \$6.8 million basic exclusion amount on B's date of death plus the \$11.4 million DSUE amount, subject to the limitation of [section 2010\(d\)](#).

# Anti-Clawback Example 4

Prorate Credit between DSUE and BEA



# Anti-Clawback Example 4

Simplified (Credit = Excess Gift x 40%)

4
5
6

#1-2-3 **Sunset**  
 Anti-Clawback Regs Ex. 4

Show Help  
 Display Example 4

## Simplified

(d) BEA Gifts (column D)		7,000,000
(e) BEA 2026	-	7,000,000
(f) BEA Gifts in Excess of BEA 2026		0
(g) x 40%	x 40%	
(h) Anti-Clawback Credit (Simplified)	=	0
(i) Anti-Clawback Credit (Prorated)	-	36,133
(j) Variance (i less h)	=	36,133

**INCREASE in Credit per Example 4**

\* BEA Basic Exclusion Amount (Donor)  
 \*\* DSUE Deceased Spousal Unused Exclusion  
 Leimberg, LeClair & Lackner, Inc. 6/9/2024

## Calculation Required by Example 4

Maximum benefit to estate: \$36,133

4
5
6

#1-2-3 **Sunset**  
 Anti-Clawback Regs Ex. 4

Show Help  
 Display Example 4

1a
1b
2
3
4

DSUE 2
DSUE 3
Ex. 4
Clear

Display Example 4

		A		B		C		D (A + C)		E (B)		F = D + E		G		H		I		J (D)		K (J / F) Round		L (I x K)		M Simplified			N	O	P (L - O)
		# of DSUE Years						BEA 2025		BEA + DSUE												BEA only		BEA only			BEA Credit	BEA Credit	BEA Credit	BEA Credit	
		1		2				14,000,000		No Proration												No Proration		No Proration							
Year	BEA Pre-DSUE	DSUE	BEA Post-DSUE	BEA Only	DSUE	Gifts BEA + DSUE	Gifts Cumulative	Credit Cumulative	Credit This Year	Gifts BEA-only	Ratio BEA / Gifts	Credit BEA Portion	BEA Only Cumulative	BEA Credit Cumulative	BEA Credit This Year	BEA Credit Variance															
1				7,000,000	14,000,000	21,000,000	21,000,000	8,345,800	8,345,800	7,000,000	33.333333%	2,781,933	7,000,000	2,745,800	2,745,800	36,133															
2	7,000,000	14,000,000		7,000,000	14,000,000	21,000,000	21,000,000	8,345,800	8,345,800	7,000,000	33.333333%	2,781,933	7,000,000	2,745,800	2,745,800	36,133															
3				7,000,000	14,000,000	21,000,000	21,000,000	8,345,800	8,345,800	7,000,000	33.333333%	2,781,933	7,000,000	2,745,800	2,745,800	36,133															

\* Disregard cumulative gifts that exceed 2025 BEA.

BEA 2026		7,000,000
(a) Credit Allocated to BEA (1977-2025)	=	2,781,933
(b) Credit Equivalent of 2026 BEA	-	2,745,800
(c) Anti-Clawback Credit (Prorated)	=	36,133

## Simplified

(d) BEA Gifts (column D)		7,000,000
(e) BEA 2026	-	7,000,000
(f) BEA Gifts in Excess of BEA 2026		0
(g) x 40%	x 40%	
(h) Anti-Clawback Credit (Simplified)	=	0
(i) Anti-Clawback Credit (Prorated)	-	36,133
(j) Variance (i less h)	=	36,133

**INCREASE in Credit per Example 4**

\* BEA Basic Exclusion Amount (Donor)  
 \*\* DSUE Deceased Spousal Unused Exclusion  
 Leimberg, LeClair & Lackner, Inc. 6/9/2024

21



# Calculation Required by Example 4

## Variance between Simplified and IRS Methods for DSUE and BEA between \$7M and \$14M (in \$500K increments)

4

5

6

#1-2-3 **Sunset** Show Help

Anti-Clawback Regs Ex. 4

Default	Base Value	Increment	Value
BEA	7,000,000	500,000	7,000,000
DSUE	7,000,000	500,000	14,000,000

14,000,000 Max BEA 2025

Set Values
Clear Values

### Variance

(In all cases IRS Example 4 generates a larger potential anti-clawback credit)

	BEA	7,500,000	8,000,000	8,500,000	9,000,000	9,500,000	10,000,000	10,500,000	11,000,000	11,500,000	12,000,000	12,500,000	13,000,000	13,500,000	14,000,000	
DSUE	7,000,000	27,100	26,166	25,293	24,477	23,713	22,994	22,318	21,680	21,078	20,508	19,968	19,456	18,970	18,507	18,067
	7,500,000	28,034	27,100	26,226	25,406	24,636	23,912	23,229	22,583	21,973	21,395	20,846	20,325	19,829	19,357	18,907
	8,000,000	28,907	27,974	27,100	26,279	25,506	24,777	24,089	23,438	22,821	22,236	21,680	21,151	20,648	20,167	19,709
	8,500,000	29,723	28,794	27,921	27,100	26,326	25,594	24,903	24,247	23,626	23,035	22,473	21,938	21,428	20,941	20,476
	9,000,000	30,488	29,564	28,694	27,874	27,100	26,368	25,674	25,015	24,390	23,795	23,229	22,688	22,173	21,680	21,209
	9,500,000	31,206	30,288	29,423	28,606	27,832	27,100	26,405	25,745	25,117	24,519	23,949	23,405	22,884	22,387	21,911
	10,000,000	31,882	30,971	30,111	29,297	28,526	27,795	27,100	26,439	25,809	25,209	24,636	24,089	23,565	23,064	22,583
	10,500,000	32,520	31,617	30,762	29,953	29,185	28,455	27,761	27,100	26,470	25,868	25,293	24,743	24,217	23,713	23,229
	11,000,000	33,122	32,227	31,379	30,574	29,810	29,083	28,391	27,730	27,100	26,498	25,922	25,370	24,842	24,335	23,848
	11,500,000	33,692	32,805	31,964	31,165	30,405	29,681	28,991	28,332	27,702	27,100	26,523	25,971	25,441	24,932	24,443
	12,000,000	34,232	33,354	32,520	31,727	30,971	30,251	29,564	28,907	28,278	27,677	27,100	26,547	26,016	25,506	25,015
	12,500,000	34,744	33,875	33,049	32,262	31,512	30,795	30,111	29,457	28,830	28,229	27,653	27,100	26,569	26,058	25,566
	13,000,000	35,230	34,371	33,552	32,772	32,027	31,316	30,635	29,983	29,358	28,759	28,184	27,631	27,100	26,589	26,096
	13,500,000	35,693	34,843	34,033	33,259	32,520	31,813	31,136	30,488	29,865	29,268	28,694	28,142	27,611	27,100	26,607
	14,000,000	36,133	35,293	34,491	33,724	32,991	32,289	31,617	30,971	30,352	29,757	29,185	28,634	28,104	27,593	27,100

\* BEA Basic Exclusion Amount (Donor)

\*\* DSUE Deceased Spousal Unused Exclusion

Leimberg, LeClair & Lackner, Inc. 6/9/2024

# Pernicious Federal Interrelated Calculation

Marginal Rate: 66.66%

(all tax paid from the marital or charitable residue)

## Estate Tax Calculation

100% Marital/Charitable Residue

No State Death Tax

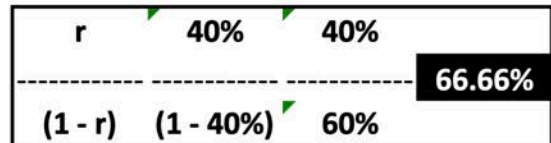
Marginal Estate Tax Rate

40.00%

r

Effective Estate Tax Rate

66.66%



	Taxable	Estate Tax	Tax (Cumul)	Effective Rate
1	20,000,000.00	8,000,000.00	8,000,000.00	40.00%
2	28,000,000.00	3,200,000.00	11,200,000.00	56.00%
3	31,200,000.00	1,280,000.00	12,480,000.00	62.40%
4	32,480,000.00	512,000.00	12,992,000.00	64.96%
5	32,992,000.00	204,800.00	13,196,800.00	65.98%
6	33,196,800.00	81,920.00	13,278,720.00	66.39%
7	33,278,720.00	32,768.00	13,311,488.00	66.56%
8	33,311,488.00	13,107.20	13,324,595.20	66.62%
9	33,324,595.20	5,242.88	13,329,838.08	66.65%
10	33,329,838.08	2,097.15	13,331,935.23	66.66%
11	33,331,935.23	838.86	13,332,774.09	66.66%
12	33,332,774.09	335.54	13,333,109.64	66.67%
13	33,333,109.64	134.22	13,333,243.85	66.67%
14	33,333,243.85	53.69	13,333,297.54	66.67%
15	33,333,297.54	21.47	13,333,319.02	66.67%
16	33,333,319.02	8.59	13,333,327.61	66.67%
17	33,333,327.61	3.44	13,333,331.04	66.67%
18	33,333,331.04	1.37	13,333,332.42	66.67%
19	33,333,332.42	0.55	13,333,332.97	66.67%
20	33,333,332.97	0.22	13,333,333.19	66.67%
21	33,333,333.19	0.09	13,333,333.27	66.67%
22	33,333,333.27	0.04	13,333,333.31	66.67%
23	33,333,333.31	0.01	13,333,333.32	66.67%
24	33,333,333.32	0.01	13,333,333.33	66.67%
25	33,333,333.33	0.00	13,333,333.33	66.67%
26	33,333,333.33	0.00	13,333,333.33	66.67%

# Section 6166

## NumberCruncher

### Estate Planning

#### Estate Planning Techniques

##### Section 6166

	2024	
Tax Year		
Gross Estate	20,000,000	A
Admin Expenses		B
Value of Business	10,000,000	C
Ratio of Value of Business to Gross Estate	50.0000%	D = C / A
Net Federal Estate Tax	2,556,000	E Tax on A
Adjusted Gross Estate	20,000,000	F = A - B
35% of Adjusted Gross Estate	7,000,000	G = F x 35%
Amount that can be Deferred	1,278,000	H = E x D
Tax that Must be Paid Now	1,278,000	I = D - H
Amount Used to Calculate 2 Percent Amount	1,850,000	J 706 Instructions
2 Percent Amount	740,000	K = J x 40%
Amount of Tax at "Going Rate"	538,000	L = H - K
Net Cost of Interest	377,245	M = "Table" tab, Col. G
Cost of Principal	1,278,000	N = H
Total Cost	1,655,245	O = Table Col. H



# Section 6166

(continued)  
(note **daily** compounding of interest)

## NumberCruncher

Estate Planning  
Estate Planning Techniques  
Section 6166

<b>Year</b>	<b>2024</b>						
<b>Exclusion</b>	<b>13,610,000</b>						
<b>Gross Estate</b>	<b>20,000,000</b>						
<b>Net Federal Estate Tax</b>	<b>2,556,000</b>						
<b>Value of Business %</b>	<b>50%</b>						
<b>Value of Business \$</b>	<b>10,000,000</b>						
<b>Net Federal Estate Tax Attributable to Business</b>	<b>1,278,000</b>						
<b>2-percent portion</b>	<b>740,000</b>	<b>= \$1,750,000 x 40%</b>					
<b>4.5-percent portion</b>	<b>538,000</b>						
					<b>G</b>	<b>H</b>	
	Principal	Interest	Principal	Interest	Total	Total Payment	
Annual Interest Rate	2%	2%	4.50%	4.50%	Interest	Total	
Simple		2.02008%		4.60250%			
Compounded Daily							
Start	<b>740,000</b>		<b>538,000</b>				
1	740,000	14,949	538,000	24,761	39,710	39,710	
2	740,000	14,949	538,000	24,761	39,710	39,710	
3	740,000	14,949	538,000	24,761	39,710	39,710	
4	740,000	14,949	538,000	24,761	39,710	39,710	
5	666,000	14,949	484,200	24,761	39,710	167,510	
6	592,000	13,454	430,400	22,285	35,739	163,539	
7	518,000	11,959	376,600	19,809	31,768	159,568	
8	444,000	10,464	322,800	17,333	27,797	155,597	
9	370,000	8,969	269,000	14,857	23,826	151,626	
10	296,000	7,474	215,200	12,381	19,855	147,655	
11	222,000	5,979	161,400	9,905	15,884	143,684	
12	148,000	4,485	107,600	7,428	11,913	139,713	
13	74,000	2,990	53,800	4,952	7,942	135,742	
14	-	1,495	-	2,476	3,971	131,771	
Totals:		<b>142,014</b>		<b>235,231</b>	<b>377,245</b>	<b>1,655,245</b>	
				<b>Net Cost of Interest</b>	<b>Total Cost</b>		

## C. Federal Gift Tax

### Gift Tax Exclusion 2025 (tentative)

2010	CPI-U	217.16325	A
<b>2016</b>	<b>CPI-U</b>	238.64900	B
<b>2016</b>	<b>C-CPI-U</b>	135.99300	C
2024	C-CPI-U (Sep - May)	173.34717	D
<b>1997</b>	<b>CPI-U</b>	159.49167	Z

1(f)(3)(B) Amount Determined			
<b>2016</b>	<b>C-CPI-U</b>	135.99300	C
		-----	0.56985 E
<b>2016</b>	<b>CPI-U</b>	238.64900	B

1997	CPI-U	159.49167	Z
		0.56985	E
1997	CPI-U (adjusted)	90.88557	F

2024	C-CPI-U	173.34717	D
		-----	1.90731 G
1997	CPI-U (adjusted)	90.88557	F

	10,000	H
	1.90731	G
	19,073	I
Rounded down to nearest \$1K	<b>19,000</b>	J

# Maximum Available Gift

## Maximum Available Gift - Simplified

Year	Gifts		Exclusion	Credit	
	Gifts	Gifts Cumulative	Starting Exclusion <b>13,610,000</b>	Credit Used	Starting Credit <b>5,389,800</b>
2004	480,802	480,802	Remaining Exclusion 13,129,198	149,205	5,240,595
2019	1,408,588	1,889,390	<b>11,720,610</b>	552,271	<b>4,688,324</b>
			x 40%		÷ 40%
			<b>4,688,244</b>		<b>11,720,810</b>
2024	<b>11,720,610</b>	13,610,000	0	4,688,324	0
				<b>5,389,800</b>	

# D. Income Tax

Adjustments below are ACTUAL 2024 rates

## Bloomberg Tax 2024 Projected U.S. Tax Rates

### 2024 Projected Inflation Adjustments

#### 1. Tax Rate Tables (§1(j)(2)(A)-(E))

For tax years beginning in 2024, the tax rate tables under §1 are as follows:

TABLE 1 - Section 1(j)(2)(A) – Married Individuals Filing Joint Returns and Surviving Spouses

If Taxable Income Is:		The Tax Is:	
Not Over	<b>\$23,200</b>	10% of the taxable income	
Over	<b>\$23,200</b> but not over <b>\$94,300</b>	<b>\$2,320</b>	plus 12% of excess over <b>\$23,200</b>
Over	<b>\$94,300</b> but not over <b>\$201,050</b>	<b>\$10,852</b>	plus 22% of excess over <b>\$94,300</b>
Over	<b>\$201,050</b> but not over <b>\$383,900</b>	<b>\$34,337</b>	plus 24% of excess over <b>\$201,050</b>
Over	<b>\$383,900</b> but not over <b>\$487,450</b>	<b>\$78,221</b>	plus 32% of excess over <b>\$383,900</b>
Over	<b>\$487,450</b> but not over <b>\$731,200</b>	<b>\$111,357</b>	plus 35% of excess over <b>\$487,450</b>
Over	<b>\$731,200</b>	<b>\$196,669.50</b>	plus 37% of excess over <b>\$731,200</b>

TABLE 2 - Section 1(j)(2)(B) – Heads of Household

If Taxable Income Is:		The Tax Is:	
Not Over	<b>\$16,550</b>	10% of the taxable income	
Over	<b>\$16,550</b> but not over <b>\$63,100</b>	<b>\$1,655</b>	plus 12% of excess over <b>\$16,550</b>
Over	<b>\$63,100</b> but not over <b>\$100,500</b>	<b>\$7,241</b>	plus 22% of excess over <b>\$63,100</b>
Over	<b>\$100,500</b> but not over <b>\$191,950</b>	<b>\$15,469</b>	plus 24% of excess over <b>\$100,500</b>
Over	<b>\$191,950</b> but not over <b>\$243,700</b>	<b>\$37,417</b>	plus 32% of excess over <b>\$191,950</b>
Over	<b>\$243,700</b> but not over <b>\$609,350</b>	<b>\$53,977</b>	plus 35% of excess over <b>\$243,700</b>
Over	<b>\$609,350</b>	<b>\$181,954.50</b>	plus 37% of excess over <b>\$609,350</b>

TABLE 3 - Section 1(j)(2)(C) – Unmarried Individuals  
(other than Surviving Spouses and Heads of Household)

If Taxable Income Is:		The Tax Is:	
Not Over	<b>\$11,600</b>	10% of the taxable income	
Over	<b>\$11,600</b> but not over <b>\$47,150</b>	<b>\$1,160</b>	plus 12% of excess over <b>\$11,600</b>
Over	<b>\$47,150</b> but not over <b>\$100,525</b>	<b>\$5,426</b>	plus 22% of excess over <b>\$47,150</b>
Over	<b>\$100,525</b> but not over <b>\$191,950</b>	<b>\$17,168.50</b>	plus 24% of excess over <b>\$100,525</b>
Over	<b>\$191,950</b> but not over <b>\$243,725</b>	<b>\$39,110.50</b>	plus 32% of excess over <b>\$191,950</b>
Over	<b>\$243,725</b> but not over <b>\$609,350</b>	<b>\$55,678.50</b>	plus 35% of excess over <b>\$243,725</b>
Over	<b>\$609,350</b>	<b>\$183,647.25</b>	plus 37% of excess over <b>\$609,350</b>

## Bloomberg Tax 2024 Projected U.S. Tax Rates

TABLE 4 - Section 1(j)(2)(D) – Married Individuals Filing Separate Returns

If Taxable Income Is:				The Tax Is:		
Not Over	<b>\$11,600</b>			10% of the taxable income		
Over	<b>\$11,600</b>	but not over	<b>\$47,150</b>	<b>\$1,160</b>	plus 12% of excess over	<b>\$11,600</b>
Over	<b>\$47,150</b>	but not over	<b>\$100,525</b>	<b>\$5,426</b>	plus 22% of excess over	<b>\$47,150</b>
Over	<b>\$100,525</b>	but not over	<b>\$191,950</b>	<b>\$17,168.50</b>	plus 24% of excess over	<b>\$100,525</b>
Over	<b>\$191,950</b>	but not over	<b>\$243,725</b>	<b>\$39,110.50</b>	plus 32% of excess over	<b>\$191,950</b>
Over	<b>\$243,725</b>	but not over	<b>\$365,600</b>	<b>\$55,678.50</b>	plus 35% of excess over	<b>\$243,725</b>
Over	<b>\$365,600</b>			<b>\$98,334.75</b>	plus 37% of excess over	<b>\$365,600</b>

TABLE 5 - Section 1(j)(2)(E) – Estates and Trusts

If Taxable Income Is:				The Tax Is:		
Not Over	<b>\$3,100</b>			10% of the taxable income		
Over	<b>\$3,100</b>	but not over	<b>\$11,150</b>	<b>\$310</b>	plus 24% of excess over	<b>\$3,100</b>
Over	<b>\$11,150</b>	but not over	<b>\$15,200</b>	<b>\$2,242</b>	plus 35% of excess over	<b>\$11,150</b>
Over	<b>\$15,200</b>			<b>\$3,659.50</b>	plus 37% of excess over	<b>\$15,200</b>

### 3. Maximum Capital Gains Rates (§1(h), §1(j)(5))

For tax years beginning in 2024, the maximum zero rate amounts and maximum 15% rate amounts under §1(j)(5)(B) are as follows:

Filing Status	Maximum Zero Rate Amount	Maximum 15% Rate Amount
Married Individuals Filing Joint Returns and Surviving Spouses	<b>\$94,050</b>	<b>\$583,750</b>
Married Individuals Filing Separate Returns	<b>\$47,025</b>	<b>\$291,850</b>
Heads of Household	<b>\$63,000</b>	<b>\$551,350</b>
All Other Individuals	<b>\$47,025</b>	<b>\$518,900</b>



# 2026 Income Tax Brackets Projections

## Scheduled to Revert to 2017 Levels (as inflated by chained CPI)

2024 baseline provided, subject to user-entered Estimated Inflation  
from 2024 to 2026

\*2024 baseline for projecting to 2026 Multiplier (2017 => 2024): **127.81963%**

Income Tax Brackets (2017)	Unmarried	Married	Separate	Head Household
10%	0	0	0	0
15%	9,325	18,650	9,325	13,350
25%	37,950	75,900	37,950	50,800
28%	91,900	153,100	76,550	131,200
33%	191,650	233,350	116,675	212,500
35%	416,700	416,700	208,350	416,700
39.6%	418,400	470,700	235,350	444,550
<b>Income Tax Brackets (2024)*</b>				
10%	0	0	0	0
15%	11,925	23,850	11,925	17,075
25%	48,500	97,025	48,500	64,925
28%	117,475	195,700	97,850	167,700
33%	244,975	298,275	149,125	271,625
35%	532,625	532,625	266,300	532,625
39.6%	534,800	601,650	300,825	568,225
Long-Term Capital Gain Bracket: 15%				
20%				

## Standard Deduction, Personal Exemption, And Phaseout

2024 baseline provided, subject to user-entered Estimated Inflation  
from 2024 to 2026

Multiplier (2017 => 2024)

127.81963%

	2017		2024 baseline for projecting to 2026			
			Unrounded		Rounded	
<b>Standard Deduction</b>						
Unmarried (Single)	6,350		8,117		8,100	
Married (Joint)	12,700		16,233		16,250	
Separate	6,350		8,117		8,100	
Head of Household	9,350		11,951		11,950	
<b>Personal Exemption ("PE")</b>						
Unmarried	4,050		5,177		5,200	
Married	4,050		5,177		5,200	
Separate	4,050		5,177		5,200	
Head of Household	4,050		5,177		5,200	
<b>PE Phaseout</b>						
	<b>Begin</b>	<b>End</b>	<b>Begin</b>	<b>End</b>	<b>Begin</b>	<b>End</b>
Unmarried	261,500	384,000	334,248	490,827	334,250	490,850
Married	313,800	436,300	401,098	557,677	401,100	557,700
Separate	156,900	218,150	200,549	278,839	200,550	278,850
Head of Household	287,650	410,150	367,673	524,252	367,650	524,250

### Net Investment Income Tax ("NIIT")

For 2022 and later, the NIIT was not calculating. This was fixed in NumberCruncher 2023.00 Build 46.

### Trick for Testing Tax Brackets

Enter \$0.00 for "Total Itemized Deductions" and elect "Yes" to "Suppress Deductions and Any Personal Exemptions" (the latter relevant again only in 2026 and later). This way, your entry in "Adjusted Gross Income" will also serve as "Taxable Income."

## E. Actuarial Calculations

### New IRS Mortality Table 2010CM

On 6/1/2023, the IRS released final regulations including [mortality] Table 2010CM, based on the 2010 Census, a little over four years after the required release date of 5/1/2019. These final regulations provided a transition period for using Table 2000CM or Table 2010CM starting with all transfers made between 5/1/2019 and 6/1/2023.

[Federal Register :: Use of Actuarial Tables in Valuing Annuities, Interests for Life or a Term of Years, and Remainder or Reversionary Interests](#)

Because of the release date (and effective date) of 6/1/2023 (rather than 5/31/2023), the IRS felt that it had to include the effective date as part of the transition period. Thus, only 6/1 (but not 6/2 – 6/30) allows for the option of using either Table. NumberCruncher solves this unusual scenario by providing a checkbox entitled “6/1?” if you specify June 2023 as the transfer date. This checkbox appears in all 15 or so modules where relevant in NumberCruncher. Also, the Table that is selected now appears on all relevant reports.

Because life expectancies increased from 2000 to 2010, this has the following effect:

Remainder: smaller (this is what the actuarial tables generate)

Life Estate: larger (1 minus Remainder)

Annuity: larger (Life Estate divided by 7520 rate)

The relevant periods for use of these tables are as follows:

5/1/2009 – 4/30/2019: Table 2000CM only

5/1/2019 – 6/01/2023: Table 2000CM or Table 2010CM

6/2/2023 – 4/30/2029: Table 2010CM only

Projected period for the next table:

5/1/2029 – 4/30/2039: Table 2020CM

We have tested every relevant example in these final regulations and were able to generate exact matches in NumberCruncher.



## Rounding

As stated in the 6/1/2023 final regulations on Actuarial Tables (etc.) in Section I, Decimal Places, Treasury Department and IRS publications have historically stated factors to the following decimal places:

Term (Remainder and Income):	6
Life (Remainder and Income):	5
Annuity (Life and Term):	4
Payout Rate Adjustment Factors:	6
Adjusted Payout Rates:	5 (or 3 digits after the decimal when expressed as a %)

The proposed regulations issued in May 2022 had one CRUT example with adjusted payout rates expressed as a percentage but showing four (4) digits after the decimal point (4.8834%) rather than the traditional three (3) digits (4.883%).

The final regulations acknowledge that this inconsistency was inadvertent and changed the example to three (3) digits after the decimal point.

The final regulations go on to state, however, that “taxpayers are permitted to calculate the final actuarial factors to a greater number of decimal places than provided for in the published tables, as the additional decimal place(s) provide greater precision.” In addition, the rounding method must be consistently applied in valuing all interests in the same property.

Certain calculations, including unitrusts (CRUTs and CLUTs), have historically provided for a “linear interpolation” of payout rates that are not divisible by 0.2% (i.e., n.0%, n.2%, n.4%, n.6%, or n.8%).

In a new development, the regulations (both proposed and final) now allow for an “exact method.” This exact method must still round to at least 3 digits after the decimals but can go farther. NumberCruncher does not (yet) incorporate this “exact method”. The differences are de minimis (see chart on next page), but we will consider adding this feature in a future release.

Based on FMV of Trust = \$1,000,000, the charitable remainder interest will vary as follows:

At the minimum CRUT payout rate ( 5%), “interpolated” will never exceed “exact” by more than \$70.

At the maximum CRUT payout rate (50%), “exact” will never exceed “interpolated” by more than \$10.

Simply put, the maximum difference will never be more than 7/1000 of one percent (\$70 on \$1M).

**CRUT: Exact vs. Interpolated**

**Age: 65**

**Table: 2010CM**

5.00%	0.41634
5.20%	0.40340
<b>Max Diff</b>	<b>\$70 on \$1M</b>

Payout Rate	Exact	Interpolated	Increase	On \$1M
	<b>0.41634</b>			<b>\$ 1,000,000</b>
5.00%	0.41634	0.41634	0.00000	\$0
5.01%	0.41568	0.41569	0.00001	\$10
5.02%	0.41502	0.41505	0.00003	\$30
5.03%	0.41436	0.41440	0.00004	\$40
5.04%	0.41371	0.41375	0.00004	\$40
5.05%	0.41305	0.41311	0.00006	\$60
5.06%	0.41240	0.41246	0.00006	\$60
5.07%	0.41175	0.41181	0.00006	\$60
5.08%	0.41110	0.41116	0.00006	\$60
5.09%	0.41045	0.41052	0.00007	\$70
5.10%	0.40980	0.40987	0.00007	\$70
5.11%	0.40916	0.40922	0.00006	\$60
5.12%	0.40851	0.40858	0.00007	\$70
5.13%	0.40787	0.40793	0.00006	\$60
5.14%	0.40723	0.40728	0.00005	\$50
5.15%	0.40659	0.40664	0.00005	\$50
5.16%	0.40595	0.40599	0.00004	\$40
5.17%	0.40531	0.40534	0.00003	\$30
5.18%	0.40467	0.40469	0.00002	\$20
5.19%	0.40403	0.40405	0.00002	\$20
5.20%	0.40340	0.40340	0.00000	\$0

GRAT calculations in prior NumberCruncher releases:

**2023.00 Build 40** (official release, 5/9/2023)

In the spirit of expanded rounding, the GRAT Base Annuity Factor was expanded from four (4) digits to (5) digits after the decimal point. But only four (4) digits were being displayed. Dividing the FMV by this Base Annuity Factor (x Frequency Adjustment Factor if other than 1.0000) yielded a different Value of Annuity Interest than previous versions of NumberCruncher. It also \*appeared\* incorrect because of the inconsistency between the factor being displayed (rounded to 4) and the factor actually being used (rounded to 5). The options were to **display** the factor to five (5) digits or **round** it to four (4) digits.

**2023.00 Build 46** (released in June 2023 after publication of the final regulations)

Rounding of the Base Annuity Factor was restored to four (4) digits so that the display and the calculation again match, and the results are consistent with prior versions of NumberCruncher.

See chart below for illustration of \$1.23 difference on \$1M of FMV between Builds 40 and 46:

<b>NumberCruncher 2023</b>		
	7520 Rate	5.40%
	Term	2
	Vary Annuity	Yes
	Annual growth of annuity payments	0%
	Build 40	Build 46
Annuity Factor	1.84892	1.8489
FMV	1,000,000	1,000,000
% Payout	5%	5%
Annual Payout	50,000	50,000
Term Factor	1.84892	1.8489
Value Annuity Interest	92,446.23	92,445.00
Difference on \$1M	\$1.23	

# Grantor-Retained Annuity Trust ("GRAT")

Steve Leiberg's NumberCruncher 2024.05.30

File Edit Help

AFRs Menu (F5)

### Grantor Retained Annuity Trust

Trust Type:  Term  
 Life  
 Shorter

Payout Precision: 10 Digits  
 Optimization?:  No

[?Optimize Help](#)

Transfer Date: 6/2024  
 Grantor's Age: 60  
 Term: 2 # of Payments: 2  
 Pre-discounted FMV: D \$1,000,000.00  
 Percentage Payout: E 5.0000000000000000%  
 Payment Period: Annual  
 Payment Timing: End

\$7520 Rate: A 5.60%  
 Income Earned by Trust: 5.00%  
 Annual Growth of Principal: 0.00%  
 Discounted FMV: \$1,000,000.00

Distribute Princ. in Kind?  
 Vary Annuity Payments?  
 With Reversion?  
 Exhaustion Method: IRS

Is Transfer To or For the Benefit of a Member of the Transferor's Family?  
 Is Interest in Trust Retained by Transferor or Applicable Family Member?  
 Limit final-year payment to available remainder

Summary Economic Schedule Graph

Term Formula\*  $1 / (1 + 7520 \text{ Rate})^A$  Term B

7520 Rate A 5.60%  
 Term B 2 Years

\* Remainder  $1 / (1 + 5.60\%)^2$   
 0.896752  
 Life Estate 1 - Remainder  
 0.103248

Annuity Factor Life Estate / 7520 Rate  
 C 1.8437 (rounded to 4 decimals)

\*\*\* §2702 IS Applicable \*\*\*

Base Term Certain Annuity Factor: 1.8437 C  
 Frequency Adjustment Factor: 1.0000  
 Annual Annuity Payout: \$50,000.00 F = D x E = \$1,000,000 x 5%  
 Initial Amount of Payment Per Period: \$50,000.00  
 Value of Term Certain Annuity Interest: \$92,185.00 G = C x F = 1.8437 x \$50,000 = \$92,185  
 Value of Grantor's Retained Interest: \$92,185.00  
 (1) Taxable Gift (Based on Term Interest): \$907,815.00 H = D - G = \$1,000,000 - \$92,185 = \$907,815

Steve Leiberg's NumberCruncher 2024.05.30

File Edit Help

AFRs Menu (F5)

### Grantor Retained Annuity Trust

Trust Type:  Term  
 Life  
 Shorter

Payout Precision: 10 Digits  
 Optimization?:  No

[?Optimize Help](#)

Transfer Date: 6/2024  
 Grantor's Age: 60  
 Term: 2 # of Payments: 2  
 Pre-discounted FMV: \$1,000,000.00  
 Percentage Payout: 5.0000000000000000%  
 Payment Period: Annual  
 Payment Timing: End

\$7520 Rate: 5.60%  
 Income Earned by Trust: 5.00%  
 Annual Growth of Principal: 0.00%  
 Discounted FMV: \$1,000,000.00

Distribute Princ. in Kind?  
 Vary Annuity Payments?  
 With Reversion?  
 Exhaustion Method: IRS

Is Transfer To or For the Benefit of a Member of the Transferor's Family?  
 Is Interest in Trust Retained by Transferor or Applicable Family Member?  
 Limit final-year payment to available remainder

Summary Economic Schedule Graph

Year	Beginning Principal	0.00% Growth	5.00% Annual Income	Required Payments	Distributed Discount	Remainder
1	\$1,000,000.00	\$0.00	\$50,000.00	\$50,000.00	\$0.00	\$1,000,000.00
2	\$1,000,000.00	\$0.00	\$50,000.00	\$50,000.00	\$0.00	\$1,000,000.00
Summary	\$1,000,000.00	\$0.00	\$100,000.00	\$100,000.00	\$0.00	\$1,000,000.00

Steve Leimborg's NumberCruncher 2024.05.30

File Edit Help

AFRs Menu (F5)

### Grantor Retained Annuity Trust

Trust Type:  Term  
 Life  
 Shorter

Payout Precision: 10 Digits  
 Optimization?: Yes

?Optimize Help

Transfer Date: 6/2024  
 Grantor's Age: 60  
 Term: 2 # of Payments: 2

Pre-discounted FMV: D \$1,000,000.00  
 Optimized Payout: E 54.2387588881%

Payment Period: Annual  
 Payment Timing: End

Is Transfer To or For the Benefit of a Member of the Transferor's Family?  
 Is Interest in Trust Retained by Transferor or Applicable Family Member?  
 Limit final-year payment to available remainder

\$7520 Rate: 5.60%  
 Income Earned by Trust: 54.24%  
 Annual Growth of Principal: 0.00%  
 Discounted FMV: \$1,000,000.00

Exhaustion Method: IRS

Summary Economic Schedule Graph

\*\*\* §2702 IS Applicable \*\*\*

Base Term Certain Annuity Factor: 1.8437 C  
 Frequency Adjustment Factor: 1.0000  
 Annual Annuity Payout: \$542,387.59 F = D x E = \$1,000,000 x 54.238759%  
 Initial Amount of Payment Per Period: \$542,387.59  
 Value of Term Certain Annuity Interest: \$1,000,000.00 G = C x F = 1.8437 x \$542,387.59 = \$1,000,000  
 Value of Grantor's Retained Interest: \$1,000,000.00  
 (1) Taxable Gift (Based on Term Interest): \$0.00 H = D - G = \$1,000,000 - \$1,000,000

Steve Leimborg's NumberCruncher 2024.05.30

File Edit Help

AFRs Menu (F5)

### Grantor Retained Annuity Trust

Trust Type:  Term  
 Life  
 Shorter

Payout Precision: 10 Digits  
 Optimization?: Yes

?Optimize Help

Transfer Date: 6/2024  
 Grantor's Age: 60  
 Term: 2 # of Payments: 2

Pre-discounted FMV: \$1,000,000.00  
 Optimized Payout: 54.2387588881%

Payment Period: Annual  
 Payment Timing: End

Is Transfer To or For the Benefit of a Member of the Transferor's Family?  
 Is Interest in Trust Retained by Transferor or Applicable Family Member?  
 Limit final-year payment to available remainder

\$7520 Rate: 5.60%  
 Income Earned by Trust: 54.24% \*  
 Annual Growth of Principal: 0.00%  
 Discounted FMV: \$1,000,000.00

Exhaustion Method: IRS

Summary Economic Schedule Graph

Year	Beginning Principal	0.00% Growth	54.24% Annual Income	Required Payments	Distributed Discount	Remainder
1	\$1,000,000.00	\$0.00	\$542,400.00	\$542,387.59	\$0.00	\$1,000,012.41
2	\$1,000,012.41	\$0.00	\$542,406.73	\$542,387.59	\$0.00	\$1,000,031.55
Summary	\$1,000,000.00	\$0.00	\$1,084,806.73	\$1,084,775.18	\$0.00	\$1,000,031.55 *

\* NumberCruncher currently limited to two places after the decimal. Otherwise, the remainder would equal exactly \$1,000,000.



Trust Type:		Grantor Retained Annuity Trust	
<input checked="" type="radio"/> Term	Transfer Date: <input type="text" value="6/2024"/>	<input type="text" value="5.60%"/>	\$7520 Rate:
<input type="radio"/> Life	Grantor's Age: <input type="text" value="60"/>	<input type="text" value="54.24%"/>	Income Earned by Trust:
<input type="radio"/> Shorter	Term: <input type="text" value="2"/> # of Payments: <input type="text" value="2"/>	<input type="text" value="0.00%"/>	Annual Growth of Principal:
Payout Precision: <input type="text" value="10 Digits"/>	Pre-discounted FMV: <input type="text" value="\$1,000,000.00"/>	<input type="text" value="\$1,000,000.00"/>	Discounted FMV:
Optimization?: <input type="text" value="No"/>	Percentage Payout: <b>A</b> <input type="text" value="54.2116399000%"/>	<input type="checkbox"/> Distribute Princ. in Kind?	
<input type="button" value="Optimize Help"/>	Payment Period: <input type="text" value="Annual"/>	<input type="checkbox"/> Vary Annuity Payments?	
	Payment Timing: <input type="text" value="End"/>	<input type="checkbox"/> With Reversion?	
		Exhaustion Method: <input type="text" value="IRS"/>	
	<input checked="" type="checkbox"/> Is Transfer To or For the Benefit of a Member of the Transferor's Family?		
	<input checked="" type="checkbox"/> Is Interest in Trust Retained by Transferor or Applicable Family Member?		
	<input type="checkbox"/> Limit final-year payment to available remainder		

Summary Economic Schedule Graph

**\*\*\* §2702 IS Applicable \*\*\***

Base Term Certain Annuity Factor:	1.8437	
Frequency Adjustment Factor:	1.0000	
Annual Annuity Payout:	\$542,116.40	
Initial Amount of Payment Per Period:	\$542,116.40	
Value of Term Certain Annuity Interest:	\$999,500.00	
Value of Grantor's Retained Interest:	\$999,500.00	
(1) Taxable Gift (Based on Term Interest):	<input type="text" value="\$500.00"/>	

Steps:

1. Optimize Yes
2. Then Optimize No
3. Then adjust A until you get the Percentage Payout that generates the Taxable Gift that you want.

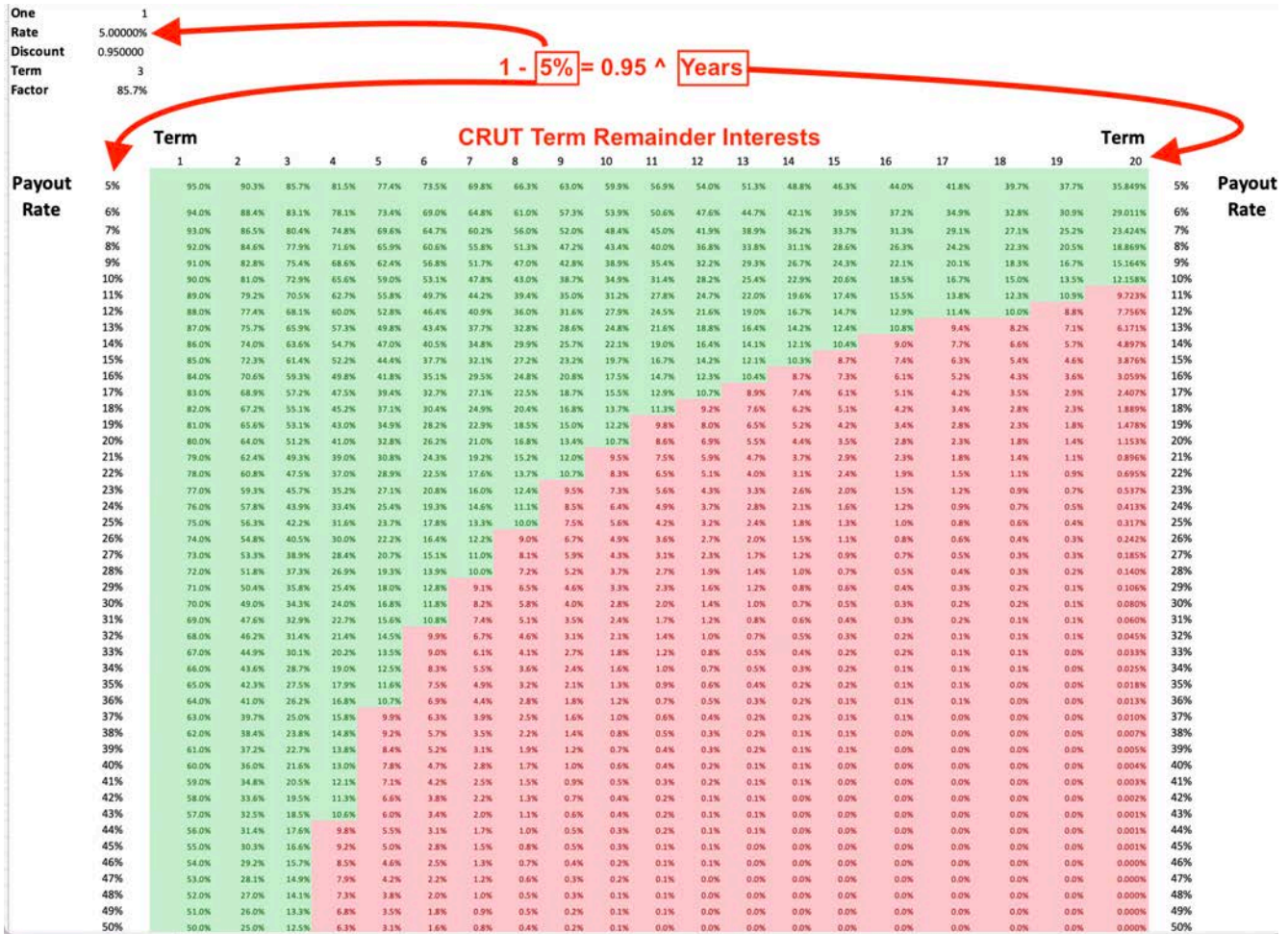
# Charitable Remainder Unitrust ("CRUT")

## "Heat" Map

Test for 10% minimum charitable remainder

Green: Passes

Red: Fails



# Qualified Personal Residence Trust ("QPRT")

## NumberCruncher

### Qualified Personal Residence Trust

Revised 2024-05-23

	No Reversion		w/Reversion		
	<b>Term</b>				
Transfer Date	6/2023				
7520 Rate	4.20%				
Principal	100,000				
Term	3				
Table (1 = 80, 2 = 90, 3 = 00, 4 = 10)	4				
			Survivors		
		Age	65	84,221.59	y
		Age + 3	68	80,728.83	x
Term Remainder Factor	0.88389	<b>a</b>		0.88389	Term Remainder Factor
			Prob Survival	x / y	0.958529
				0.84723	<b>a</b> Remainder (Shorter of Term or Life)
Life Estate Factor	0.11611	<b>b</b>	Income Interest w/Reversion	0.15277	<b>b</b> Life w/Reversion
			Reversion	0.03894	<b>c</b> Reversion
			Income Interest w/o Reversion	0.11383	<b>d</b> Life w/o Reversion
7520 Rate	4.20%	<b>e</b>		4.20%	<b>e</b>
Annuity Factor	2.7645	<b>D = b * e</b>		2.7101	<b>D = b * e</b> Life w/o Reversion
Principal \$	100,000			100,000	
Remainder Factor	0.88389	<b>a</b>		0.84723	<b>a</b> Remainder (Shorter of Term or Life)
Taxable Gift (Pres Val of Remainder)	88,389	<b>A</b>		84,723	<b>A</b> Taxable Gift (Pres Val of Remainder)
Nontaxable Int Retained by Grantor	11,611	<b>B</b>	<= Income Interest =>	15,277	<b>B</b> Nontaxable Int Retained by Grantor
Annuity Factor	2.7645	<b>D</b>		2.7101	<b>D</b> Life w/o Reversion
Qualified Annuity	<b>4,200</b>	<b>B / D</b>		<b>5,637</b>	<b>B / D</b> Qualified Annuity



# Qualified Personal Residence Trust ("QPRT") (continued)

(Partial Year)

QPRT: 1.5 Years

1. Run the QPRT for 1 year (Q1)
2. Run the QPRT for 2 years (Q2)
3. Interpolate the result between the two:

$$Q1 + (Q2 - Q1) \times (1/2)$$

Qualified Personal Residence Trust				BELOW				ABOVE																																																																																							
Revised 2024-07-27																																																																																															
<table border="1"> <tr><th colspan="2">No Reversion</th></tr> <tr><td>Term</td><td>1.40%</td></tr> <tr><td>Principal</td><td>3,920,000</td></tr> <tr><td>Term</td><td>1.5</td></tr> <tr><td>Table (1 = 80, 2 = 90, 3 = 00, 4 = 10)</td><td>4</td></tr> </table>				No Reversion		Term	1.40%	Principal	3,920,000	Term	1.5	Table (1 = 80, 2 = 90, 3 = 00, 4 = 10)	4	<table border="1"> <tr><th colspan="2">w/Reversion</th></tr> <tr><td>Term</td><td>93</td></tr> <tr><td>Age</td><td>92</td></tr> <tr><td>Age + 1.5</td><td>93.5</td></tr> </table>				w/Reversion		Term	93	Age	92	Age + 1.5	93.5	<table border="1"> <tr><td>7520 Rate</td><td>5.40%</td></tr> <tr><td>Principal</td><td>3,920,000</td></tr> <tr><td>Term</td><td>1</td></tr> <tr><td>Age</td><td>92</td></tr> <tr><td>Age + 1</td><td>93</td></tr> </table>				7520 Rate	5.40%	Principal	3,920,000	Term	1	Age	92	Age + 1	93	<table border="1"> <tr><td>7520 Rate</td><td>5.40%</td></tr> <tr><td>Principal</td><td>3,920,000</td></tr> <tr><td>Term</td><td>2</td></tr> <tr><td>Age</td><td>92</td></tr> <tr><td>Age + 2</td><td>94</td></tr> </table>				7520 Rate	5.40%	Principal	3,920,000	Term	2	Age	92	Age + 2	94																																										
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	1	1.083	1.167	1.250	1.333	1.417	1.500	1.583	1.667	1.750	1.833	1.917	2.000	2.083	2.167	2.250	2.333	2.417	2.500	2.583
0	11,785	11,626	11,497	11,391	11,303	11,229	11,166	11,113	11,066	11,026	10,990	10,959	10,895	10,870	10,814	10,764	10,719	10,678	10,641	10,607
5	212,300	212,296	212,292	212,288	212,284	212,280	212,276	212,272	212,268	212,264	212,260	212,256	212,253	212,250	212,247	212,244	212,241	212,238	212,235	212,232
10	212,011	212,011	212,012	212,013	212,013	212,014	212,015	212,016	212,016	212,017	212,018	212,019	212,019	212,024	212,028	212,032	212,037	212,041	212,045	212,050
15	213,044	213,056	213,067	213,079	213,091	213,103	213,115	213,127	213,138	213,150	213,162	213,174	213,186	213,199	213,213	213,227	213,240	213,254	213,267	213,281
20	214,697	214,713	214,728	214,744	214,760	214,775	214,791	214,806	214,822	214,837	214,853	214,868	214,884	214,895	214,907	214,918	214,929	214,940	214,952	214,963
25	215,483	215,485	215,486	215,487	215,489	215,490	215,492	215,493	215,494	215,496	215,497	215,499	215,500	215,501	215,502	215,503	215,505	215,506	215,507	215,508
30	215,897	215,903	215,909	215,915	215,920	215,926	215,932	215,938	215,944	215,950	215,956	215,961	215,967	215,973	215,979	215,985	215,991	215,997	216,003	216,008
35	216,682	216,694	216,705	216,716	216,727	216,739	216,750	216,761	216,772	216,783	216,795	216,806	216,817	216,830	216,842	216,855	216,868	216,880	216,893	216,906
40	218,586	218,609	218,632	218,655	218,677	218,700	218,723	218,745	218,768	218,791	218,813	218,836	218,859	218,884	218,910	218,936	218,962	218,988	219,013	219,039
45	222,561	222,601	222,640	222,679	222,718	222,758	222,797	222,836	222,875	222,915	222,954	222,993	223,032	223,074	223,116	223,158	223,200	223,241	223,283	223,325
50	228,699	228,759	228,819	228,879	228,938	228,998	229,058	229,118	229,177	229,237	229,297	229,357	229,417	229,476	229,536	229,596	229,656	229,716	229,775	229,834
55	236,548	236,624	236,699	236,774	236,849	236,924	236,999	237,075	237,150	237,225	237,300	237,375	237,450	237,529	237,608	237,687	237,766	237,845	237,924	238,003
60	247,374	247,478	247,582	247,686	247,791	247,895	247,999	248,103	248,207	248,311	248,415	248,519	248,623	248,730	248,837	248,945	249,052	249,160	249,267	249,375
91	904,807	907,609	910,411	913,213	916,015	918,817	921,619	924,421	927,223	930,025	932,827	935,629	938,431	941,079	943,726	946,374	949,022	951,669	954,317	956,965
92	980,892	983,884	986,875	989,867	992,859	995,850	998,842	1,001,833	1,004,825	1,007,816	1,010,808	1,013,799	1,016,791	1,019,592	1,022,393	1,025,194	1,027,995	1,030,796	1,033,597	1,036,398
93	1,063,257	1,066,435	1,069,613	1,072,791	1,075,969	1,079,147	1,082,326	1,085,504	1,088,682	1,091,860	1,095,038	1,098,216	1,101,395	1,104,326	1,107,258	1,110,189	1,113,121	1,116,052	1,118,984	1,121,915
94	1,151,578	1,154,958	1,158,338	1,161,718	1,165,098	1,168,478	1,171,858	1,175,238	1,178,618	1,181,998	1,185,378	1,188,758	1,192,138	1,195,002	1,198,051	1,201,100	1,204,149	1,207,198	1,210,248	1,213,297
95	1,246,276	1,249,812	1,253,348	1,256,884	1,260,420	1,263,956	1,267,492	1,271,029	1,274,565	1,278,101	1,281,637	1,285,173	1,288,709	1,291,849	1,294,990	1,298,130	1,301,270	1,304,411	1,307,551	1,310,691
96	1,347,087	1,350,757	1,354,427	1,358,096	1,361,766	1,365,436	1,369,105	1,372,775	1,376,445	1,380,115	1,383,784	1,387,454	1,391,124	1,394,345	1,397,567	1,400,789	1,404,010	1,407,232	1,410,453	1,413,675
97	1,453,592	1,457,383	1,461,173	1,464,964	1,468,755	1,472,545	1,476,336	1,480,126	1,483,917	1,487,707	1,491,498	1,495,289	1,499,079	1,502,337	1,505,595	1,508,853	1,512,111	1,515,369	1,518,627	1,521,885
98	1,565,437	1,569,311	1,573,186	1,577,061	1,580,935	1,584,810	1,588,685	1,592,560	1,596,434	1,600,309	1,604,184	1,608,058	1,611,933	1,615,205	1,618,478	1,621,750	1,625,022	1,628,295	1,631,567	1,634,840
99	1,682,095	1,686,034	1,689,974	1,693,914	1,697,853	1,701,793	1,705,733	1,709,672	1,713,612	1,717,552	1,721,491	1,725,431	1,729,371	1,732,608	1,735,845	1,739,082	1,742,320	1,745,557	1,748,794	1,752,031
100	1,802,521	1,806,507	1,810,493	1,814,479	1,818,465	1,822,451	1,826,437	1,830,423	1,834,409	1,838,395	1,842,381	1,846,367	1,850,353	1,853,549	1,856,745	1,859,941	1,863,137	1,866,333	1,869,529	1,872,725

## F. State Estate Tax

Various calculations refined to ensure that, when assets are included on the state return but are not part of the federal gross estate, (a) the state calculation will be based on the larger state taxable estate, and (b) the 706 Line 3b state death tax deduction will be based on the reduced state taxable estate (not counting these state-only assets).

Currently, there are 12 states plus DC that have their own estate tax returns:

CT, DC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA

**Trick:** In the “State” field, press the Up/Dn arrows to navigate from state to state.

We have gone through all 13 of these estate tax returns to ensure that NumberCruncher:

(a) mimics the flow of each return

(b) accurately reflects how they handle the following:

**State-only QTIP:** CT, IL, MA, MD, ME, MN, OR, RI, WA

**State exclusion tied to federal exclusion:** CT (starting in 2023)

**Note:** because CT also has a gift tax (the only state in the country), an interesting state “clawback” issue arises. Will CT punish an estate where gifts were made in 2021-25 when the state exclusion exceeded what will likely be the exclusion in 2026 (about \$7M). Without an “anti-clawback” adjustment, a CT estate will pay an estate tax on gifts that were protected by the CT exclusion when made (about \$14M) but not protected by the lower CT exclusion in 2026 and later (about \$7M). CT is apparently aware of the issue.

**Portability of DSUE:** HI, MD

**Out-of-State Property:**

Disregard: NY

Pro-Rate: MA (but apply entire \$99.6K tax credit without regard to pro-ration)

Pro-Rate: All others

**Rounding** (for pro-ration of tax based on property in-state/out-of-state)

None: IL, WA

6: MA (for non-residents with property in MA), ME, OR

5: MN

4: All others

**Inclusion of Prior Gifts in Calculation:**

- ≥ 2005: CT (but with credit for gift tax paid on all gifts from 2005 through the year before death)
- 1 year: ME
- 2 years: VT
- 3 years: MN, NY

**Reduce Taxable by State Exclusion** (before applying tax table): HI, MD, MN, VT, WA

**Reduce State Exclusion by Adjusted Taxable Gifts:** HI

## Connecticut

1. **CT 2026 Marginal Rate:** confirmed that the marginal tax rate in 2026 will be 12% even though the \$7M+ federal/CT exclusion would otherwise put the first dollar of taxable estate at the 10.4% marginal rate based on past CT tax tables.
2. **CT Annual Gift Exclusion:** confirmed that the calculation of CT adjusted taxable gifts uses the same annual exclusion (per donee) that is used for federal adjusted taxable gifts. That exclusion for 2024 is \$18,000.

# Connecticut

(continued)

3. **CT Max Tax:** confirmed max tax of \$15M (but taking into account only gift tax paid for gifts made in 2016 and later).

## CT \$15M Max Tax Calculation CT-706/709 Page 5

Column A Calendar Year of Gift	Column B Connecticut Taxable Gifts	Details	Column C Connecticut Gift Tax Paid	Details
▶ 2005	▶ 10000000		▶ 100000	
▶ 2006	▶ 12000000		▶ 200000	
▶ 2007	▶ 13000000		▶ 300000	
▶ 2008	▶ 14000000		▶ 400000	
▶ 2009	▶ 15000000		▶ 500000	
▶ 2010	▶ 16000000		▶ 600000	
▶ 2011	▶ 17000000		▶ 700000	
▶ 2012	▶ 18000000		▶ 800000	
▶ 2013	▶ 19000000		▶ 900000	
▶ 2014	▶ 10100000		▶ 1010000	
▶ 2015	▶ 11100000		▶ 1110000	
▶ 2016	▶ 12100000		▶ 1210000	
▶ 2017	▶ 13100000		▶ 1310000	
▶ 2018	▶ 14100000		▶ 1410000	
▶ 2019	▶ 7550000		▶ 755000	
▶ 2020	▶ 7550000		▶ 755000	
▶ 2021	▶ 210000		▶ 21000	
▶ 2022	▶ 120000		▶ 12000	
▶ 2023	▶ 100000		▶ 10000	
Column Totals:	▶ 210030000		▶ 12103000	

<b>2005 - 2015</b>	<b>6,620,000</b>
--------------------	------------------

<b>2016 - 2023</b>	<b>5,483,000</b>
--------------------	------------------

Simply put, L17 should not be more than the excess of \$15M over gift tax paid in 2016 or later.

<b>13</b>	<b>Tax due</b>		<b>25,248,660</b>
<b>16</b>	<b>Credits</b>		<b>12,103,000</b>
	<b>Balance of tax due (BEFORE cap)</b>		<b>13,145,660 A</b>
	<b>\$15M cap</b>	<b>15,000,000</b>	
	<b>2016 - 2023</b>	<b>5,483,000</b>	<b>9,517,000 B</b>
<b>17</b>	<b>Balance of tax due (AFTER cap)</b>		<b>9,517,000 C = lesser of A or B *</b>

=> Page 2, L17

# Massachusetts

## Exclusion Now \$2M

(effective 1/1/2023)

1. The MA estate tax calculation has been greatly simplified for 2023 and later.

At its very simplest:

- a. **Part 1, Line 3** (MA Taxable Estate): determine the MA taxable estate (L1 minus L2)
  - b. **Part 4, Line 1a** (MA Gross Estate Tax): Calculate using Table B from the 1999 version of the US 706. [Table B has been unchanged at least since 1993, and possibly as far back as 1924 when the credit for state death taxes paid was first introduced].
  - c. **Part 4, Line 1b** (MA Net Estate Tax): subtract \$99,600 from Part 4, Line 1a (but not below 0)
2. Part 2 (MA resident decedent with property in another state).
    - a. **Soak-up**: Previously, MA provided a credit for the tax imposed on non-MA property by another state. If this tax were zero, for example, the effect was that MA was imposing tax on non-MA property.
    - b. **Dassori v. Commissioner (2016)**: This "soak-up" approach was ruled unconstitutional. Accordingly, MA began to advise practitioners to remove non-MA property from the calculation altogether.
    - c. **Pro-rata**: The 2023 MA estate tax law change now calls for non-MA property to be brought back into the calculation, retroactive to 1/1/1997. This results in a reduction of the gross MA estate tax in the proportion that the gross non-MA property bears to the MA Gross Estate (Part 1 and Part 2, Line 1).
  3. The revised M-706 for 2023 and later still calls for "Adjusted taxable gifts" in Part 1, Line 4. There are situations where property that was reported on a 709 (and thus also included on Line 4 of the 706, not on Line 1 of the 706) was a gift with a retained life estate. As in Pennsylvania, such a gift would be 100% taxable as part of the MA gross estate and properly includible on Part 1, Line 1.
  4. Thus, it can be important for the MA DOR to have the opportunity to challenge a donor's treatment of such property as a gift and allow MA to tax it as part of the MA gross estate.
  5. Even if an estate did have a retained life estate (so that disclosing it as an adjusted taxable gift would be important), Line 6 ("Total gift tax payable") and Line 7 ("Credit for state death taxes from the 1999 706, Line 15) would appear to have no relevance ever again for 2023 and later estates.

# MA Resident All Property in MA

## Part 1. Tentative Massachusetts estate tax

[Link to 706](#)

1 Total gross estate (from page 1, line 1 of U.S. Form 706 with a revision date of July 1999 or from Part 5, line 12 of this return).....	1	10,000,000.00
2 Total allowable deductions (from page 1, line 2 of U.S. Form 706 with a revision date of July 1999 or from Part 6, line 11 of this return).....	2	0.00
3 Subtract line 2 from line 1.....	3	10,000,000.00
4 <span style="border: 1px solid black; padding: 2px;">Adjusted taxable gifts</span> (from page 1, line 4 of U.S. Form 706 with a revision date of July 1999).....	4	
5 Add lines 3 and 4.....	5	10,000,000.00
<del>6 Total gift tax payable (from page 1, line 9 of U.S. Form 706 with a revision date of July 1999).....</del>	<del>6</del>	<del></del>
7 Credit for state death taxes (from page 1, line 15 of U.S. Form 706 with a revision date of July 1999).....	7	1,067,600.00

Relevant only to the extent that the MA DOR might want to claim that a gift of real estate (for example) with a retained life estate should be treated as part of the MA gross estate. Otherwise, because the old "lesser of" calculation on the 1999 706 is no longer used, gifts no longer relevant for MA.

No longer relevant to MA estate tax calculation.

Note: Starting in 2023, you may continue to refer to Line 15 of the July 1999 revision of U.S. Form 706, but don't limit it to the amount on Line 14. This is now a straight Table B calculation.

## Part 4. Massachusetts estate tax due

1 Massachusetts estate tax.....	1a	1,067,600.00
a Enter the amount from Part 1, line 7; Part 2, line 8; or Part 3, line 5, whichever applies.....		
b Massachusetts credit for decedents dying on or after January 1, 2023. For decedents dying on or after January 1, 2023, enter the smaller of Part 4, line 1a. or \$99,600.....	1b	99,600.00
Total tax. Subtract line 1b from line 1a. Not less than 0.....	1	968,000.00
2 Late file and/or late pay penalties.....	2	
3 Interest.....	3	
4 Total amount due. Add lines 1 through 3.....	4	968,000.00
5 Payments made with extension. Attach a copy of Form M-4768.....	5	
6 Other amounts previously paid. Attach copies of any prior filings with payment dates and amounts.....	6	
7 Total payments. Add lines 5 and 6.....	7	
8 Overpayment. If line 4 is smaller than line 7, subtract line 4 from line 7. This is the amount of your refund. If line 4 is larger than line 7, omit line 8 and complete line 9. If lines 4 and 7 are equal, enter 0 in line 8 and omit line 9.....	8	
9 Balance due. If line 4 is larger than line 7, subtract line 7 from line 4. This is the amount of the payment due at time of filing.....	9	968,000.00



# MA Resident Some Property in Other States

**Note that \$99.6K credit (equivalent to a \$2M exclusion) is NOT reduced in proportion to the property outside of MA. Result identical to MA Nonresident.**

**Part 2. Computation of tax for estate of Massachusetts resident decedent with property in another state**

1 Total gross estate, wherever situated. Enter the amount from Part 1, line 1.....	▶ 1	10,000,000.00
2 Credit for state death taxes. Enter the amount from Part 1 line 7.....	▶ 2	1,067,600.00
3 Reserved for future use.....	▶ 3	
4 Gross value of real estate and tangible personal property in other states.....	▶ 4	5,500,000.00
5 Percentage of estate in other states. Divide line 4 by line 1 <b>Note:</b> Complete computation to six decimal places .....	▶ 5	0.550000
6 Prorated credit. Multiply line 2 by line 5 .....	6	587,180.00
7 Reserved for future use.....	7	
8 Massachusetts estate tax. Subtract line 7 from line 2. Enter result here and in Part 4, line 1a.....	▶ 8	480,420.00

**Part 4. Massachusetts estate tax due**

1 Massachusetts estate tax.....		
a Enter the amount from Part 1, line 7; Part 2, line 8; or Part 3, line 5, whichever applies.....	1a	480,420.00
b Massachusetts credit for decedents dying on or after January 1, 2023. For decedents dying on or after January 1, 2023, enter the smaller of Part 4, line 1a. or \$99,600.....	1b	99,600.00
Total tax. Subtract line 1b from line 1a. Not less than 0.....	1	380,820.00
2 Late file and/or late pay penalties.....	2	
3 Interest.....	3	
4 Total amount due. Add lines 1 through 3 .....	4	380,820.00
5 Payments made with extension. Attach a copy of Form M-4768.....	5	
6 Other amounts previously paid. Attach copies of any prior filings with payment dates and amounts.....	6	
7 Total payments. Add lines 5 and 6 .....	7	
8 Overpayment. If line 4 is smaller than line 7, subtract line 4 from line 7. This is the amount of your refund. If line 4 is larger than line 7, omit line 8 and complete line 9. If lines 4 and 7 are equal, enter 0 in line 8 and omit line 9.....	8	
9 Balance due. If line 4 is larger than line 7, subtract line 7 from line 4. This is the amount of the payment due at time of filing.....	9	380,820.00

Unreduced by ratio of out-of-state property



# MA Nonresident

## Some Property in Massachusetts

**Note that \$99.6K credit (equivalent to a \$2M exclusion) is NOT reduced in proportion to the property outside of MA. Result identical to MA Resident.**

### Part 3. Computation of tax for estate of nonresident decedent with Massachusetts property

1 Total gross estate, wherever situated. Enter the amount from Part 1, line 1.....	1	10,000,000.00
2 Credit for state death taxes. Enter the amount from Part 1, line 7.....	2	1,067,600.00
3 Gross value of real estate and tangible personal property in Massachusetts. Enter the total reported on Form M-NRA, line 26. Do not deduct the value of any mortgage or lien.....	3	4,500,000.00
4 Percentage of estate in Massachusetts. Divide line 3 by line 1. <b>Note:</b> Complete computation to six decimal places.....	4	0.450000
5 Massachusetts nonresident estate tax. Multiply line 2 by line 4. Enter result here and in Part 4, line 1.....	5	480,420.00

### Part 4. Massachusetts estate tax due

1 Massachusetts estate tax.....		
a Enter the amount from Part 1, line 7; Part 2, line 8; or Part 3, line 5, whichever applies.....	1a	480,420.00
b Massachusetts credit for decedents dying on or after January 1, 2023. For decedents dying on or after January 1, 2023, enter the smaller of Part 4, line 1a. or \$99,600.....	1b	99,600.00
Total tax. Subtract line 1b from line 1a. Not less than 0.....	1	380,820.00
2 Late file and/or late pay penalties.....	2	
3 Interest.....	3	
4 Total amount due. Add lines 1 through 3 <span style="color: blue; font-weight: bold;">Unreduced by ratio of out-of-state property</span>	4	380,820.00
5 Payments made with extension. Attach a copy of Form M-4768.....	5	
6 Other amounts previously paid. Attach copies of any prior filings with payment dates and amounts.....	6	
7 Total payments. Add lines 5 and 6.....	7	
8 Overpayment. If line 4 is smaller than line 7, subtract line 4 from line 7. This is the amount of your refund. If line 4 is larger than line 7, omit line 8 and complete line 9. If lines 4 and 7 are equal, enter 0 in line 8 and omit line 9.....	8	
9 Balance due. If line 4 is larger than line 7, subtract line 7 from line 4. This is the amount of the payment due at time of filing.....	9	380,820.00

# Massachusetts Interrelated Calculation

## MA Estate Tax Calculation

Interrelated

03/20/2024

Gross Estate	10,000,000
Taxable Bequests	3,500,000

Residue	6,500,000
% Residue to Marital	100%
Marital	6,500,000

Full MA Tax	254,911
Portion of Ppty in MA	100.0000%
Prorated MA Tax	<b>254,911</b>

	Gross Estate	Charitable	Taxable	Adjustment	Net Taxable	Full MA Tax	MA Credit	Net MA Tax	Fed + MA Tax	Increase in Tax	Net Marital
1	10,000,000	6,500,000	<b>3,500,000</b>	60,000	3,440,000	229,200	99,600	129,600	229,200	229,200	6,270,800
2	10,000,000	6,270,800	<b>3,729,200</b>	60,000	3,669,200	252,237	99,600	152,637	252,237	23,037	6,247,763
3	10,000,000	6,247,763	<b>3,752,237</b>	60,000	3,692,237	254,633	99,600	155,033	254,633	2,396	6,245,367
4	10,000,000	6,245,367	<b>3,754,633</b>	60,000	3,694,633	254,882	99,600	155,282	254,882	249	6,245,118
5	10,000,000	6,245,118	<b>3,754,882</b>	60,000	3,694,882	254,908	99,600	155,308	254,908	26	6,245,092
6	10,000,000	6,245,092	<b>3,754,908</b>	60,000	3,694,908	254,910	99,600	155,310	254,910	3	6,245,090
7	10,000,000	6,245,090	<b>3,754,910</b>	60,000	3,694,910	254,911	99,600	155,311	254,911	0	6,245,089
8	10,000,000	6,245,089	<b>3,754,911</b>	60,000	3,694,911	254,911	99,600	155,311	254,911	0	6,245,089
										<b>254,911</b>	

# New York Pernicious Interrelated Calculation

Marginal Rate: 6.76 billion %

## NY Estate Tax Calculation 2024

Vince Lackner

02/12/2024

Net Estate	7,287,000.00				Marginal %	Marginal %
NY Exclusion 2024	6,940,000.00	347,000.00	5% over exclusion	NY Tax Increase	Initial	Extra Penny
				<b>676,232.12</b>	<b>12.8%</b>	<b>6.76B %</b>
Residue	347,000.00					<b>B = Billion</b>
% Residue to Charity	100.00%					
				Base Taxable	Addl Taxable	Taxable
\$ Residue to Charity	347,000.00			<b>15.12</b>	<b>0.01</b>	<b>15.13</b>
% Residue to Taxable	-					
Initial Taxable	6,940,000.00					
Increased Taxable	6,940,015.13					
Starting Tax	1.94					
Ending Tax	676,234.06					
Tax Increase	676,232.12					

	Net Estate (before charity)	Charitable	Totten Trust	1 NY Taxable	2 Exclusion	3 L2 - L3	4 5% of Line 2	5 Div 3 by 4	6 1 - L5	7 L2 x L6	8 App Cr on L7	1 NY Taxable	2 NY Tent Tax	3 NY Credit	4 NY Tax	Charity	Taxable
1	7,287,000.00	347,000.00	15.13	6,940,015.13	6,940,000	15	347,000	0.0000	1.0000	6,940,000	630,320.00	6,940,015	630,321.94	630,320	1.94	2	6,940,017
2	7,287,000.00	346,998.06	15.13	6,940,017.07	6,940,000	17	347,000	0.0000	1.0000	6,940,000	630,320.00	6,940,017	630,322.18	630,320	2.18	2	6,940,019
3	7,287,000.00	346,997.82	15.13	6,940,017.31	6,940,000	17	347,000	0.0000	1.0000	6,940,000	630,320.00	6,940,017	630,322.22	630,320	2.22	2	6,940,020
4	7,287,000.00	346,997.78	15.13	6,940,017.35	6,940,000	17	347,000	0.0000	1.0000	6,940,000	630,320.00	6,940,017	630,322.22	630,320	2.22	2	6,940,020
5	7,287,000.00	346,997.78	15.13	6,940,017.35	6,940,000	17	347,000	0.0001	0.9999	6,939,306	630,231.17	6,940,017	630,322.22	630,231	91.05	91	6,940,108
6	7,287,000.00	346,908.95	15.13	6,940,106.18	6,940,000	106	347,000	0.0003	0.9997	6,937,918	630,053.50	6,940,106	630,333.59	630,054	280.09	280	6,940,386
7	7,287,000.00	346,719.91	15.13	6,940,295.22	6,940,000	295	347,000	0.0009	0.9991	6,933,754	629,520.51	6,940,295	630,357.79	629,521	837.28	837	6,941,132
8	7,287,000.00	346,162.72	15.13	6,940,852.41	6,940,000	852	347,000	0.0025	0.9975	6,922,650	628,099.20	6,940,852	630,429.11	628,099	2,329.91	2,330	6,943,182
9	7,287,000.00	344,670.09	15.13	6,942,345.04	6,940,000	2,345	347,000	0.0068	0.9932	6,892,808	624,279.42	6,942,345	630,620.16	624,279	6,340.74	6,341	6,948,686
10	7,287,000.00	340,659.26	15.13	6,946,355.87	6,940,000	6,356	347,000	0.0183	0.9817	6,812,998	614,063.74	6,946,356	631,133.55	614,064	17,069.81	17,070	6,963,426
11	7,287,000.00	329,930.19	15.13	6,957,084.94	6,940,000	17,085	347,000	0.0492	0.9508	6,598,552	586,614.66	6,957,085	632,506.87	586,615	45,892.22	45,892	7,002,977
12	7,287,000.00	301,107.78	15.13	6,985,907.35	6,940,000	45,907	347,000	0.1323	0.8677	6,021,838	513,420.56	6,985,907	636,196.14	513,421	122,775.58	122,776	7,108,683
13	7,287,000.00	224,224.42	15.13	7,062,790.71	6,940,000	122,791	347,000	0.3539	0.6461	4,483,934	333,800.61	7,062,791	646,037.21	333,801	312,236.60	312,237	7,375,027
14	7,287,000.00	34,763.40	15.13	7,252,251.73	6,940,000	312,252	347,000	0.8999	0.1001	694,694	25,034.70	7,252,252	671,506.24	25,035	646,471.54	646,472	7,898,723
15	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249
16	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249
17	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249
18	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249
19	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249
20	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249
21	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249
22	7,287,000.00	-	15.13	7,287,015.13	6,940,000	347,015	347,000	1.0000	0.0000	-	-	7,287,015	676,234.06	-	676,234.06	676,234	7,963,249

## Decoupled Estate Tax Results

Calc #	State	Year	Taxable	Exclusion		Tax		
				Federal	State	Federal	State	Tax/Combined
1	OR	2024	2,000,000	13,610,000	1,000,000		101,250	101,250
2	RI	2024	2,000,000	13,610,000	1,774,583		16,230	16,230
3	MA	2024	3,000,000	13,610,000	2,000,000		82,400	82,400
4	OR	2024	3,000,000	13,610,000	1,000,000		205,000	205,000
5	RI	2024	3,000,000	13,610,000	1,774,583		98,630	98,630
6	WA	2024	3,000,000	13,610,000	2,193,000		80,700	80,700
7	MA	2024	4,000,000	13,610,000	2,000,000		180,800	180,800
8	MN	2024	4,000,000	13,610,000	3,000,000		130,000	130,000
9	OR	2024	4,000,000	13,610,000	1,000,000		312,500	312,500
10	RI	2024	4,000,000	13,610,000	1,774,583		197,030	197,030
11	WA	2024	4,000,000	13,610,000	2,193,000		212,980	212,980
12	DC	2024	5,000,000	13,610,000	4,710,000		32,480	32,480
13	IL	2024	5,000,000	13,610,000	4,000,000		285,714	285,714
14	MA	2024	5,000,000	13,610,000	2,000,000		292,000	292,000
15	MN	2024	5,000,000	13,610,000	3,000,000		260,000	260,000
16	OR	2024	5,000,000	13,610,000	1,000,000		425,000	425,000
17	RI	2024	5,000,000	13,610,000	1,774,583		308,230	308,230
18	WA	2024	5,000,000	13,610,000	2,193,000		361,050	361,050
19	DC	2024	6,000,000	13,610,000	4,710,000		152,480	152,480
20	HI	2024	6,000,000	13,610,000	5,490,000		51,000	51,000
21	IL	2024	6,000,000	13,610,000	4,000,000		456,072	456,072
22	MA	2024	6,000,000	13,610,000	2,000,000		411,200	411,200
23	MD	2024	6,000,000	13,610,000	5,000,000		160,000	160,000
24	MN	2024	6,000,000	13,610,000	3,000,000		390,000	390,000
25	OR	2024	6,000,000	13,610,000	1,000,000		542,500	542,500
26	RI	2024	6,000,000	13,610,000	1,774,583		427,430	427,430
27	VT	2024	6,000,000	13,610,000	5,000,000		160,000	160,000
28	WA	2024	6,000,000	13,610,000	2,193,000		519,120	519,120
29	DC	2024	10,000,000	13,610,000	4,710,000		712,480	712,480
30	HI	2024	10,000,000	13,610,000	5,490,000		531,400	531,400
31	IL	2024	10,000,000	13,610,000	4,000,000		926,924	926,924
32	MA	2024	10,000,000	13,610,000	2,000,000		968,000	968,000
33	MD	2024	10,000,000	13,610,000	5,000,000		800,000	800,000
34	ME	2024	10,000,000	13,610,000	6,800,000		260,000	260,000
35	MN	2024	10,000,000	13,610,000	3,000,000		910,000	910,000
36	NY	2024	10,000,000	13,610,000	6,940,000		1,067,600	1,067,600
37	OR	2024	10,000,000	13,610,000	1,000,000		1,102,500	1,102,500
38	RI	2024	10,000,000	13,610,000	1,774,583		984,230	984,230
39	VT	2024	10,000,000	13,610,000	5,000,000		800,000	800,000
40	WA	2024	10,000,000	13,610,000	2,193,000		1,257,365	1,257,365



## Decoupled Estate Tax Results

Calc #	State	Year	Taxable	Exclusion		Tax		
				Federal	State	Federal	State	Tax/Combined
1	CT	2024	20,000,000	13,610,000	13,610,000	2,249,280	766,800	3,016,080
2	DC	2024	20,000,000	13,610,000	4,710,000	1,631,008	2,312,480	3,943,488
3	HI	2024	20,000,000	13,610,000	5,490,000	1,641,200	2,287,000	3,928,200
4	IL	2024	20,000,000	13,610,000	4,000,000	1,636,414	2,298,966	3,935,380
5	MA	2024	20,000,000	13,610,000	2,000,000	1,529,120	2,567,200	4,096,320
6	MD	2024	20,000,000	13,610,000	5,000,000	1,596,000	2,400,000	3,996,000
7	ME	2024	20,000,000	13,610,000	6,800,000	1,994,400	1,404,000	3,398,400
8	MN	2024	20,000,000	13,610,000	3,000,000	1,572,400	2,459,000	4,031,400
9	NY	2024	20,000,000	13,610,000	6,940,000	1,489,280	2,666,800	4,156,080
10	OR	2024	20,000,000	13,610,000	1,000,000	1,475,000	2,702,500	4,177,500
11	RI	2024	20,000,000	13,610,000	1,774,583	1,522,628	2,583,430	4,106,058
12	VT	2024	20,000,000	13,610,000	5,000,000	1,596,000	2,400,000	3,996,000
13	WA	2024	20,000,000	13,610,000	2,193,000	1,255,440	3,251,400	4,506,840
14	CT	2024	50,000,000	13,610,000	13,610,000	12,809,280	4,366,800	17,176,080
15	DC	2024	50,000,000	13,610,000	4,710,000	11,711,008	7,112,480	18,823,488
16	HI	2024	50,000,000	13,610,000	5,490,000	11,241,200	8,287,000	19,528,200
17	IL	2024	50,000,000	13,610,000	4,000,000	11,981,241	6,436,897	18,418,138
18	MA	2024	50,000,000	13,610,000	2,000,000	11,609,120	7,367,200	18,976,320
19	MD	2024	50,000,000	13,610,000	5,000,000	11,676,000	7,200,000	18,876,000
20	ME	2024	50,000,000	13,610,000	6,800,000	12,554,400	5,004,000	17,558,400
21	MN	2024	50,000,000	13,610,000	3,000,000	11,652,400	7,259,000	18,911,400
22	NY	2024	50,000,000	13,610,000	6,940,000	11,569,280	7,466,800	19,036,080
23	OR	2024	50,000,000	13,610,000	1,000,000	11,555,000	7,502,500	19,057,500
24	RI	2024	50,000,000	13,610,000	1,774,583	11,602,628	7,383,430	18,986,058
25	VT	2024	50,000,000	13,610,000	5,000,000	11,676,000	7,200,000	18,876,000
26	WA	2024	50,000,000	13,610,000	2,193,000	10,855,440	9,251,400	20,106,840
27	CT	2024	100,000,000	13,610,000	13,610,000	30,409,280	10,366,800	40,776,080
28	DC	2024	100,000,000	13,610,000	4,710,000	28,511,008	15,112,480	43,623,488
29	HI	2024	100,000,000	13,610,000	5,490,000	27,241,200	18,287,000	45,528,200
30	IL	2024	100,000,000	13,610,000	4,000,000	29,222,620	13,333,449	42,556,069
31	MA	2024	100,000,000	13,610,000	2,000,000	28,409,120	15,367,200	43,776,320
32	MD	2024	100,000,000	13,610,000	5,000,000	28,476,000	15,200,000	43,676,000
33	ME	2024	100,000,000	13,610,000	6,800,000	30,154,400	11,004,000	41,158,400
34	MN	2024	100,000,000	13,610,000	3,000,000	28,452,400	15,259,000	43,711,400
35	NY	2024	100,000,000	13,610,000	6,940,000	28,369,280	15,466,800	43,836,080
36	OR	2024	100,000,000	13,610,000	1,000,000	28,355,000	15,502,500	43,857,500
37	RI	2024	100,000,000	13,610,000	1,774,583	28,402,628	15,383,430	43,786,058
38	VT	2024	100,000,000	13,610,000	5,000,000	28,476,000	15,200,000	43,676,000
39	WA	2024	100,000,000	13,610,000	2,193,000	26,855,440	19,251,400	46,106,840

## G. Other Year-Specific Changes

The annual inflation adjustments announced by the IRS (October 2024, for example) affect items that can become useful for **early planning** purposes starting the following January (2025) but become particularly relevant for **actual calculations** starting in January of the **next** year (2026). These include:

\* Income Shift

\* §199A/Qualified Business Income Tax Deductions (2024)

Married Filing Joint

\$383,900 Threshold Amount

\$483,900 Phased-In Amount

All Others (including Estates and Trusts)

\$191,950 Threshold Amount

\$241,950 Phased-In Amount

\* §6166 (2024)

\$1,850,000 Amount used to calculate 2-percent portion

\$ 740,000 2-percent portion (= \$1,850,000 x 40% marginal rate)

\* Pre-59<sup>1/2</sup>: New life expectancy values required 1/1/2022. Our algorithm for life expectancies based on two lives now matches all 14,641 values in the new regulations.

## H. Hawaii

### 61<sup>st</sup> Annual Hawaii Tax Institute, Waikiki (November 3 - 7, 2024)

<https://hawaiitaxinstitutefoundation.configio.com/>

Vince Lackner co-presenting on Sunday, November 3, 2024, 12 noon to 5 pm, on Federal Estate and Gift Tax

The image is a screenshot of the Hawaii Tax Institute website. At the top, there is a navigation bar with the Hawaii Tax Institute logo (a stylized orange and yellow flower) on the left. To the right of the logo are links for "Conference", "Virtual HTI/Live Stream", "Trending Topics", "About", and "MyHTI". Further right is a dark teal button with the text "REGISTER NOW" in white. Below the navigation bar is a yellow banner with a megaphone icon on the left and the text "Enter for Your Chance to Win-A-Free Registration!" followed by another megaphone icon on the right. The main part of the image is a large photograph of the Sheraton Waikiki hotel entrance at night. The hotel's name "Sheraton Waikiki" is visible in illuminated letters above the entrance. Overlaid on the photograph is the text "Hawaii Tax Institute 61st Annual In-Person Conference" in large, bold, yellow font, and "November 3-7, 2024" in a smaller white font below it.