

Estate Tax Calculation

Death Date:	2020
Gross Taxable Estate:	\$17,000,000
Deductions:	\$0
Pre-1977 Taxable Gifts:	\$0
Adj. Taxable Gifts (After '76):	\$126,666
Unified Credit Used by Gifts:	\$31,800
Spouse Year of Death	2018
Deceased Spousal Unused Exclusion:	\$11,180,000
Inflation Rate for Estate Tax Exclusion:	2.00%
State:	CT
QTIP Adjustment:	\$0
Out-of-State Property:	\$0
State Adjustment:	\$0
State Credits:	\$0

State Tax Calculations (CT)

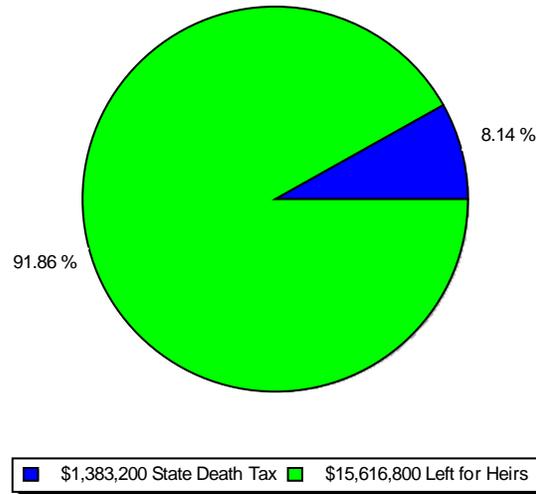
Exclusion Amount for Pickup Tax:	\$5,100,000
Estate Tax:	<u>\$1,383,200</u>
State Death Tax:	\$1,383,200

Federal Tax Calculations

Tentative Taxable Estate (2020):	\$17,000,000
Deduction for State Death Tax (CT):	<u>\$1,372,970</u>
Taxable Estate:	\$15,627,030
Adjusted Taxable Gifts (1977-2019):	<u>\$126,666</u>
Tentative Tax Base:	\$15,753,696
Tentative Federal Estate Tax:	\$6,247,278
Total Gift Tax Paid or Payable:	<u>\$0</u>
Gross Federal Estate Tax:	\$6,247,278
Basic Exclusion Amount:	\$11,580,000
Deceased Spousal Exclusion Amount (DSUE):	<u>\$11,180,000</u>
Applicable Exclusion Amount:	\$22,760,000
Allowable Unified Credit:	\$9,049,800
Gross Federal Estate Tax:	\$6,247,278
Net Federal Estate Tax:	\$0
Allowable Unified Credit:	\$9,049,800
Assumed State Death Tax:	<u>\$1,383,200</u>
Total Federal and State Tax Payable:	\$1,383,200
Net Estate Remaining:	\$15,616,800

Taxes as Percentage of Taxable Estate: 8.14%

Impact of Death Taxes



Gift and Estate Tax Computation

This calculation computes the gross gift or estate tax, applies the proper unified credit, and determines the net tax payable. It also calculates the remaining net estate and the effective tax rate as a percentage of the net amount passing to the beneficiaries or donees after taxes.

The effective gift tax rate is less than the effective estate tax rate even though the taxes are calculated using the same unified table. The effective gift tax rate is lower because the gift tax is based on the amount received by the donees after taxes, while the estate tax is calculated on the value of the estate before taxes. In other words, the donor of a gift is not required to pay any gift tax on the money paid in gift tax.

The estate and gift taxes are based on a series of graduated rates that start at 18%. However, each person is allowed a unified credit that eliminates the tax in the lower estate and gift tax brackets.

The program can also calculate the state death taxes (if any) imposed by any of the 50 states or the District of Columbia. For years after 2004, the state death tax is deducted from the taxable estate in calculating the federal estate tax.