
Gift and Estate Tax Computation

Prepared for: Sample

Prepared by: Brentmark

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Gift and Estate Tax Computation

Tax Calculation:	Estate
Date of Death:	10/1/2022
Gross Estate:	\$17,250,000
Deductions:	\$100,000
Exclusion Inflation Rate:	3.00%
Deceased Spouse:	Not Applicable
Pre-1977 Taxable Gifts:	\$0
Adjusted Taxable Gifts after 1976:	\$2,500,000
Unified Credit Used:	Assume Maximum Allowed Used
State Death Tax:	Calculate
State Abbreviation:	CT
State Adjustment:	\$0
Out-of-State Property:	\$0
Applicable Credits:	\$0
QTIP Amount:	\$0

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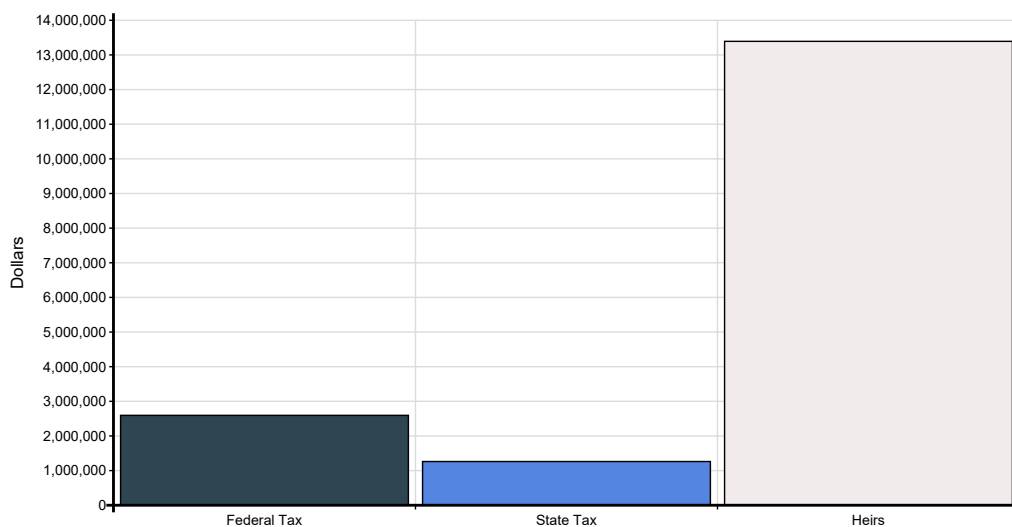
Gift and Estate Tax Computation: Results

State Tax Calculations (CT)

Decoupled:	Yes
State has Inheritance Tax:	No
State:	Connecticut
Exclusion Amount for Pickup Tax:	\$9,100,000
Estate Tax:	\$1,262,000
Total State Death Tax:	\$1,262,000

Federal Calculations

Tentative Taxable Estate (2022):	\$17,150,000
Deduction for State Death Tax:	<u>\$1,101,440</u>
Taxable Estate:	\$16,048,560
Adjusted Taxable Gifts (1977-2022):	<u>\$2,500,000</u>
Tentative Tax Base:	\$18,548,560
Tentative Federal Estate Tax:	\$7,365,224
Total Gift Tax Paid or Payable:	<u>\$0</u>
Gross Federal Estate Tax:	\$7,365,224
Basic Exclusion Amount:	\$12,060,000
Deceased Spousal Exclusion Amount:	<u>\$0</u>
Applicable Exclusion Amount:	\$12,060,000
Allowable Unified Credit:	\$4,769,800
Gross Federal Estate Tax:	\$7,365,224
Allowable Unified Credit:	\$4,769,800
Net Federal Estate Tax:	\$2,595,424
Assumed State Death Tax:	<u>\$1,262,000</u>
Total Federal and State Tax Payable:	\$3,857,424
Net Estate Remaining:	\$13,392,576
Taxes as Percentage of Taxable Estate:	22.49%



Gift and Estate Tax Computation: Explanatory Text

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.