

## Estate, Gift, and Trust Tax Data Sheet

Estate and Gift Tax Rates (2005-2006)				
Year	Taxable Gift or Estate		Tentative Tax	
	Col 1 From	To	Tax on Col 1	Rate on Excess
2005 - 2009	0	10,000	0	18%
	10,000	20,000	1,800	20%
	20,000	40,000	3,800	22%
	40,000	60,000	8,200	24%
	60,000	80,000	13,000	26%
	80,000	100,000	18,200	28%
	100,000	150,000	23,800	30%
	150,000	250,000	38,800	32%
	250,000	500,000	70,800	34%
	500,000	750,000	155,800	37%
2005	750,000	1,000,000	248,300	39%
	1,000,000	1,250,000	345,800	41%
2005	1,250,000	1,500,000	448,300	43%
	1,500,000	2,000,000	555,800	45%
2006	2,000,000	-----	780,800	47%
	1,500,000	2,000,000	555,800	45%
2007-2009	2,000,000	-----	780,800	46%
	1,500,000	-----	555,800	45%

Applicable Credit and Exclusion Amounts for ESTATE Tax Purposes		
For Transfers Made in:	The Credit Is:	The Exclusion Is:
2004-2005	555,800	1,500,000
2006-2008	780,800	2,000,000
2009	1,455,800	3,500,000
2010	Repealed	Repealed
2011 (and after)	345,800	1,000,000

2005 Section 7520 Rates			
Month	Rate	Month	Rate
January	4.6	July	4.6
February	4.6	August	4.8
March	4.6	September	5.0
April	5.0	October	5.0
May	5.2	November	5.0
June	4.8	December	5.4

Federal Interest Rate (AFR) Selection	
<p>In valuing deferred gifts, donors may chose the most favorable applicable federal rate (AFR) which is 120% of the midterm rate in effect for the month of the gift or from either of the two months preceding the month of the gift. Typically the highest rate is favorable for CRATs, CRUTs, and charitable gift annuities (for a larger deduction). The lowest rate is typically more favorable for CLTs, gift of an income interests in CRATs, and charitable gift annuities (for a larger tax-free payout).</p>	

Income Tax Rates on Estates and Trusts							
2006				2005			
Taxable Income		Tax		Taxable Income		Tax	
From (Col. 1)	To	Tax on Col. 1	Rate on Excess	From (Col. 1)	To	Tax on Col. 1	Rate on Excess
\$0	2,050	\$0	15%	\$0	2,000	\$0	15%
2,050	4,850	307.50	25%	2,000	4,700	300	25%
4,850	7,400	1,007.50	28%	4,700	7,150	975	28%
7,400	10,050	1,721.50	33%	7,150	9,750	1,661	33%
10,050	-----	2,596	35%	9,750	-----	2,519	35%

Gift Tax Exclusion Amounts	
2006	2005
\$12,000	\$11,000
GST Tax Exemption	
<p>The GST tax exemption and the estate tax applicable exclusion amounts are now the same.</p>	

Deductions, Exclusions, and Exemptions	
2006	2005
<p><b>Gift Tax</b></p> <ul style="list-style-type: none"> <li>• Applicable credit amount of \$345,800 (equal to an applicable exclusion amount of \$1 million)</li> <li>• \$12,000 annual exclusion per donee (\$24,000 for spouses with gift-splitting)</li> <li>• for gifts of present interest</li> <li>• 100% exclusion for direct transfers made to schools/medical providers on behalf of donees</li> <li>• 100% marital deduction</li> <li>• 100% charitable deduction</li> <li>• \$120,000 annual exclusion for gifts to non-citizen spouse</li> </ul> <p><b>Estate Tax</b></p> <ul style="list-style-type: none"> <li>• 100% marital deduction (specific rules for non-citizen spouse)</li> <li>• 100% charitable deduction</li> <li>• Applicable credit amount of \$780,800 (equals to an applicable exclusion amount of \$2 million)</li> <li>• \$900,000 special-use valuation decrease for qualified real property</li> <li>• \$1,200,000 eligible for 2% interest rate on installment tax payments</li> </ul> <p><b>Generation-skipping Transfer (GST) Tax</b></p> <ul style="list-style-type: none"> <li>• Lifetime exemption \$2 million per transferor</li> <li>• 100% exclusion for direct transfers made to schools/medical providers on behalf of donee</li> <li>• Direct skips that qualify for gift tax annual exclusion also qualify for GST annual exclusion (\$12,000)</li> <li>• Lifetime exemption should be allocated to other GSTs or to trusts that may have future GSTs</li> </ul>	<p><b>Gift Tax</b></p> <ul style="list-style-type: none"> <li>• Applicable credit amount of \$345,800 (equal to an applicable exclusion amount of \$1 million)</li> <li>• \$11,000 annual exclusion per donee (\$22,000 for spouses with gift-splitting)</li> <li>• for gifts of present interest</li> <li>• 100% exclusion for direct transfers made to schools/medical providers on behalf of donees</li> <li>• 100% marital deduction</li> <li>• 100% charitable deduction</li> <li>• \$117,000 annual exclusion for gifts to non-citizen spouse</li> </ul> <p><b>Estate Tax</b></p> <ul style="list-style-type: none"> <li>• 100% marital deduction (specific rules for non-citizen spouse)</li> <li>• 100% charitable deduction</li> <li>• Applicable credit amount of \$555,800 (equals to an applicable exclusion amount of \$1.5 million)</li> <li>• \$870,000 special-use valuation decrease for qualified real property</li> <li>• \$1,170,000 eligible for 2% interest rate on installment tax payments</li> </ul> <p><b>Generation-skipping Transfer (GST) Tax</b></p> <ul style="list-style-type: none"> <li>• Lifetime exemption \$1.5 million per transferor</li> <li>• 100% exclusion for direct transfers made to schools/medical providers on behalf of donee</li> <li>• Direct skips that qualify for gift tax annual exclusion also qualify for GST annual exclusion (\$11,000)</li> <li>• Lifetime exemption should be allocated to other GSTs or to trusts that may have future GSTs</li> </ul>

## Individual Tax Data Sheet

Individual Tax Rates (MFJ)			
2006		2005	
If Taxable Income Is:	The Tax Is:	If Taxable Income Is:	The Tax Is:
Not over \$15,100	10% of the taxable income	Not Over \$14,600	10% of the taxable income
Over \$15,100, but not over \$61,300	\$1,510 plus 15% of the excess over \$15,100	Over \$14,600, but not over \$59,400	\$1,460 plus 15% of the excess over \$14,600
Over \$61,300, but not over \$123,700	\$8,440 plus 25% of the excess over \$61,300	Over \$59,400, but not over \$119,950	\$8,180 plus 25% of the excess over \$59,400
Over \$123,700, but not over \$188,450	\$24,040 plus 28% of the excess over \$123,700	Over \$119,950, but not over \$182,800	\$23,317.50 plus 28% of the excess over \$119,950
Over \$188,450, but not over \$336,550	\$42,170 plus 33% of the excess over \$188,450	Over \$182,800, but not over \$326,450	\$40,915.50 plus 33% of the excess over \$182,800
Over \$336,550	\$91,043 plus 35% of the excess over \$336,550	Over \$326,450	\$88,320 plus 35% of the excess over \$326,450

Standard Deductions									
2006					2005				
	Single Individuals	Joint Return/ Surviving Spouses	Heads of Households	Married Filing Separately		Single Individuals	Joint Return/ Surviving Spouses	Heads of Households	Married Filing Separately
Basic	\$5,150	\$10,300	\$7,550	\$5,150	Basic	\$5,000	\$10,000	\$7,300	\$5,000
Over 65	6,400	11,300 (one) 12,300 (both)	8,800	6,150	Over 65	6,250	11,000 (one) 12,000 (both)	8,300	6,000
Blind	6,400	11,300 (one) 12,300 (both)	8,800	6,150	Blind	6,250	11,000 (one) 12,000 (both)	8,300	6,000
Over 65 & Blind	7,650	12,300 (one) 14,300 (both)	10,050	7,150	Over 65 & Blind	7,500	12,000 (one) 14,000 (both)	9,300	7,000

Personal and Dependency Exemptions		
Description	2006	2005
Individuals	\$3,300	\$3,200
Estates	600	600
Simple trusts (required to distribute all income)	300	300
Complex trusts (accumulate income)	100	100

Phase-out Ranges (Based on AGI)		
Description	2006	2005
<b>Personal exemptions</b>		
MFJ	\$225,750 - \$348,250	\$218,950 - \$341,450
Single	150,500 - 273,000	145,950 - 268,450
HOH	188,150 - 310,650	182,450 - 304,950
MFS	112,875 - 174,125	109,475 - 170,725
<b>Itemized deductions</b>		
MFJ, Single, HOH	150,500	145,950
MFS	75,250	72,975

Pension, Profit Sharing, IRA Limits		
Description	2006	2005
401(k) and 403(b) annual deferral limit	\$15,000	\$14,000
Catch-up contribution (over age 50)	5,000	4,000
SIMPLE plan annual deferral limit	10,000	10,000
Catch-up contribution (over age 50)	2,500	2,000
IRA annual contribution limit	4,000	4,000
Catch-up contribution (over age 50)	1,000	500

Standard Mileage Deduction		
Description	2006	2005
Business	.445	.405 (1/1/05 - 8/31/05) .485 (9/1/05 - 12/31/05)
Charity	.14 (higher Katrina related rates available)	.14 (higher Katrina related rates available)
Medical and moving	.18	.15 (1/1/05 - 8/31/05) .22 (9/1/05 - 12/31/05)

Social Security Limits		
Description	2006	2005
Social security tax wage base	\$94,200	\$90,000
Earning ceiling (below retirement age)	12,480	12,000

Kiddie Tax Threshold	
2006	2005
\$1,700	1,600

Section 179 Exemption	
2006	2005
\$108,000	\$105,000

**JAMES H. BEAUCHAMP**  
ATTORNEY AT LAW

7233 S. 85TH E. AVE., STE 100  
TULSA, OKLAHOMA 74133  
Phone: 918.252.0111  
FAX: 918.252.0621  
email: jim@jhbpc.com  
www.jhbpc.com