



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS



What Color Is Your CRT?



Date: June 24, 2021

Time: 1:00 – 2:30 Eastern

Presenter: Jeffrey Frye
Senior Client Services Advisor
PG Calc



CRTs Come in All Colors and Flavors





1. Charitable Remainder Annuity Trust (CRAT)

Charitable Remainder Annuity Trust (CRAT)

- Donor establishes CRAT with governing trust document
- Annual payout to beneficiary is specified percentage of original funding value (from 5% to 50%)
- Can be for 1 or more lives, a term of years (up to 20), or a combination
- One or more charities receive remainder
- CRAT is tax-exempt; distributions taxed under 4-tier rules
- Minimum 10% charitable remainder value
- Cannot exceed 5% probability of corpus exhaustion



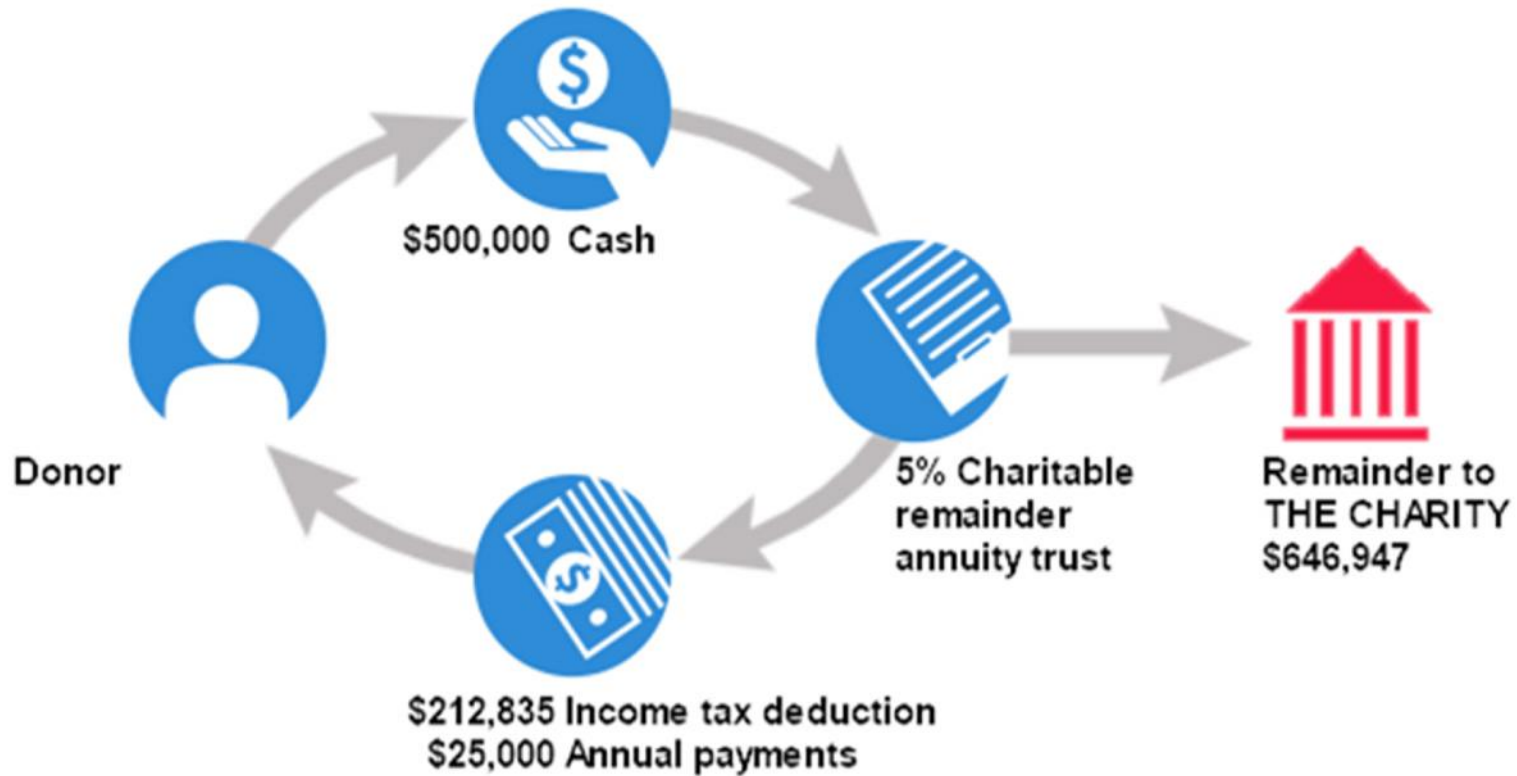
1. Charitable Remainder Annuity Trust (CRAT)

Charitable Remainder Annuity Trust (CRAT)

- **Most typical donor:** relatively older person, risk-averse, prefers future stream of income whose amount never changes
- **Positive attributes:** payment amounts never change, easy to establish and manage; generally better for charity; alternative to CGA
- **Negative attributes:** Erosion of corpus, possibility of exhaustion, not available to younger donors, loss of future purchasing power in fixed-amount beneficiary distributions



1. Charitable Remainder Annuity Trust (CRAT)





1. Charitable Remainder Annuity Trust (CRAT)

Summary of Benefits

5% Charitable Remainder Annuity Trust

ASSUMPTIONS:

Beneficiary Age	72
Cash Donated	\$500,000.00
Payout Rate	5%
Payment Schedule	quarterly at end

BENEFITS:

Charitable Deduction	\$212,835.00
Annual Payments	\$25,000.00
Probability of Corpus Exhaustion	9.95%

***** WARNING *****

This trust would not qualify for charitable tax benefits because its 9.95% chance of being drawn down to \$0 is greater than 5% (Rev. Rul. 77-374). But, the trust can qualify by including a provision to terminate in favor of charity if the trust falls below 10% of its initial value plus 1.2% interest (Rev. Proc. 2016-42) or by lowering the payout rate or shortening the term.



1. Charitable Remainder Annuity Trust (CRAT)

Summary of Benefits

5% Charitable Remainder Annuity Trust

ASSUMPTIONS:

Beneficiary Age	75
Cash Donated	\$500,000.00
Payout Rate	5%
Payment Schedule	quarterly at end

BENEFITS:

Charitable Deduction	\$248,075.00
Annual Payments	\$25,000.00
Years to Exhaustion	22.88870
Probability of Corpus Exhaustion	4.77%
(Passes 5.00% Test)	



1. Charitable Remainder Annuity Trust (CRAT)

It's all in the numbers, you know



"In a way, I am kind of famous. But you've probably never heard of me unless you happen to travel in actuarial circles."



1. Charitable Remainder Annuity Trust (CRAT)

Summary of Benefits Projection for Stella Chadwick 5% Charitable Remainder Annuity Trust

Assumptions:

- Funded with \$500,000 cash
- Projection runs for 18 years
- Measuring life is 72
- Management fees are 1% of principal

Benefits:

Charitable Deduction:	\$212,835
Annual distribution to Stella:	\$25,000
Total Management Fees:	\$104,754
Total payments to Stella before taxes:	\$450,000
Total payments to Stella after taxes:	\$355,239
Estimated charitable remainder:	\$646,947
Total benefit:	\$1,002,186



2. Standard Charitable Remainder Unitrust (S-CRUT)

Standard Charitable Remainder Unitrust

Same as charitable remainder annuity trust, except:

- Annual payout to beneficiary is specified percentage of trust market value, as revalued each year on a specified date (usually first business day of year)
- Donor can add to CRUT (receives additional deduction)



2. Standard Charitable Remainder Unitrust (S-CRUT)

Standard Charitable Remainder Unitrust

- **Most typical donor:** relatively younger donors, less risk-averse, interested in future stream of income that increases over time
- **Positive attributes:** payment amounts usually go up, easy to establish and manage, larger deduction than CRAT, favorable treatment of long-term capital gains
- **Negative attributes:** Risk of investment losses, corpus value can decline, payments can go down, remainder may be less.



2. Standard Charitable Remainder Unitrust (S-CRUT)

Summary of Benefits Projection for Harold and Betty Jackson 5% Charitable Remainder Unitrust

Assumptions:

Funded with \$600,000 in appreciated securities; \$120,000 cost basis

Projection runs for 33 years

Measuring lives are 63 and 61

Management fees are 1% of principal

Benefits:

Charitable deduction: \$177,570

First full year payment to Harold & Betty: \$30,000

Total management fees: \$241,882

Total payments to Harold & Betty before taxes: \$1,157,331

Total payments to Harold & Betty after taxes: \$766,767

Estimated charitable remainder: \$821,050

Total benefit: \$1,587,817



2. Standard Charitable Remainder Unitrust (S-CRUT)

Detailed Cash Flow Analysis for H & B Jackson

ASSUMPTIONS:

Projection runs for 33 years.

Measuring life ages are 63 and 61.

Principal donated is \$600,000. Cost basis is \$120,000.

Donor income tax bracket is 45.8%, 42% for tax savings, and 28.8% for capital gains.

5% Charitable Remainder Unitrust

Year	Year-End Principal	Appreciation	Income	Mgmt Fees	Payments to Beneficiary	Tax-Free Portion	After-Tax Payments
		(4.5%)	(2.5%)	(1%)			
2021	\$600,000						
2022	605,730	\$27,000	\$15,000	\$6,270	\$30,000	\$0	\$19,876
2023	611,515	27,258	15,143	6,330	30,287	0	20,066
2024	617,355	27,518	15,288	6,390	30,576	0	20,257
2025	623,250	27,781	15,434	6,451	30,868	0	20,451
2026	629,202	28,046	15,581	6,513	31,163	0	20,646
2027	635,211	28,314	15,730	6,575	31,460	0	20,843
2028	641,278	28,585	15,880	6,638	31,761	0	21,042
2029	647,402	28,857	16,032	6,701	32,064	0	21,243
2030	653,585	29,133	16,185	6,765	32,370	0	21,446
2031	659,826	29,411	16,340	6,830	32,679	0	21,651
2032	666,128	29,692	16,496	6,895	32,991	0	21,858
2033	672,489	29,976	16,653	6,961	33,306	0	22,066
2034	678,911	30,262	16,812	7,028	33,624	0	22,277
2035	685,395	30,551	16,973	7,095	33,946	0	22,490
2036	691,940	30,843	17,135	7,162	34,270	0	22,705



2. Standard Charitable Remainder Unitrust (S-CRUT)

Historical average annual performance numbers for major indices

Year(s)	Bloomberg Barclays Aggregate	S&P 500	Portfolio Consisting of 50% Each
2013	-2.02%	32.39%	15.19%
2014	5.97%	13.46%	9.72%
2015	0.55%	1.25%	0.90%
2016	2.65%	12.00%	7.33%
2017	3.54%	21.70%	12.62%
2018	0.01%	-6.24%	-3.12%
2019	8.72%	28.88%	18.80%
2020	7.50%	16.26%	11.88%
Average for 25 years - 1996 to 2020	5.21%	10.84%	8.03%
Average for 20 years - 2001 to 2020	4.88%	8.70%	6.79%
Average for 15 years - 2006 to 2020	4.53%	10.91%	7.72%
Average for 10 years - 2011 to 2020	3.90%	13.78%	8.84%
Average for 5 years - 2016 to 2020	4.48%	14.52%	9.50%



3. Net Income Charitable Remainder Unitrust (NICRUT)

Net Income Charitable Remainder Unitrust (NICRUT)

- Same as an S-CRUT in all respects . . .

****HOWEVER****

- Trust pays net income for any year in which net income is LESS than computed unitrust amount



3. Net Income Charitable Remainder Unitrust (NICRUT)

Net Income Charitable Remainder Unitrust (NICRUT)

- **Most typical donor:** not as age-specific; more risk tolerant; comfortable with modest stream of income that grows steadily over time
- **Positive attributes:** payment amounts usually go up, easy to establish and manage, good vehicle for less liquid assets, favorable treatment of long-term capital gains, highest possible charitable remainder
- **Negative attributes:** Risk of investment losses, payments may never go up substantially, payments can go down.



3. Net Income Charitable Remainder Unitrust (NICRUT)

Summary of Benefits Projection for Harold & Betty Jackson

ASSUMPTIONS:

Projection runs for 33 years.
 Measuring life ages are 63 and 61.
 Management fees: 1% of principal.

	Net Income Unitrust 5%
Property Donated	\$600,000
Cost Basis	\$120,000
Average Annual Payment	\$19,247
Charitable Deduction	\$177,570
Total Management Fees	\$456,182
Total Payments to Harold & Betty Before Taxes	\$635,162
Total Payments to Harold & Betty After Taxes	\$344,258
Benefit to THE CHARITY	\$2,564,418
Total Benefit	\$2,908,676



3. Net Income Charitable Remainder Unitrust (NICRUT)

Detailed Cash Flow For Harold & Betty

ASSUMPTIONS:

Projection runs for 33 years.

Measuring life ages are 63 and 61.

Principal donated is \$600,000. Cost basis is \$120,000.

5% Net Income Unitrust

Year	Year-End Principal	Appreciation	Income	Mgmt Fees	Payments to Beneficiary	Tax-Free Portion	After-Tax Payments
		(4.5%)	(2.5%)	(1%)			
2021	\$600,000						
2022	627,000	\$27,000	\$15,000	\$6,270	\$8,730	\$0	\$4,732
2023	655,215	28,215	15,675	6,552	9,123	0	4,945
2024	684,700	29,485	16,380	6,847	9,533	0	5,167
2025	715,511	30,811	17,117	7,155	9,962	0	5,400
2026	747,709	32,198	17,888	7,477	10,411	0	5,643
2027	781,356	33,647	18,693	7,814	10,879	0	5,897
2028	816,517	35,161	19,534	8,165	11,369	0	6,162
2029	853,260	36,743	20,413	8,533	11,880	0	6,439
2030	891,657	38,397	21,332	8,917	12,415	0	6,729
2031	931,782	40,125	22,291	9,318	12,974	0	7,032
2032	973,712	41,930	23,295	9,737	13,557	0	7,348
2033	1,017,529	43,817	24,343	10,175	14,168	0	7,679
2034	1,063,318	45,789	25,438	10,633	14,805	0	8,024
2035	1,111,167	47,849	26,583	11,112	15,471	0	8,385
2036	1,161,169	50,003	27,779	11,612	16,167	0	8,763



4. Net Income With Makeup Charitable Remainder Unitrust (NIMCRUT)

Net Income With Makeup Charitable Remainder Unitrust (NIMCRUT)

- Same as an S-CRUT in all respects . . .
- ***HOWEVER*** - Trust pays net income for any year in which net income is LESS than computed unitrust amount
- ***MOREOVER*** - Trustee keeps track of yearly **underpayments** and *makes up shortfall in future years* when net income *exceeds* computed unitrust amount



4. Net Income With Makeup Charitable Remainder Unitrust (NIMCRUT)

Net Income Charitable Remainder Unitrust (NIMCRUT)

- **Most typical donor:** not as age-specific; more risk tolerant; comfortable with modest stream of income that grows steadily over time
- **Positive attributes:** payment amounts usually go up, especially when definition of income includes post-contribution capital gains, good vehicle for less liquid assets, favorable treatment of long-term capital gains
- **Negative attributes:** Risk of investment losses, still no invasion of principal to pay full unitrust amount, payments can go down, and may never go up significantly



4. Net Income With Makeup Charitable Remainder Unitrust (NIMCRUT)

Summary of Benefits Projection

ASSUMPTIONS:

Projection runs for 33 years.
 Measuring life ages are 63 and 61.
 Management fees: 1% of principal.

	Makeup Unitrust 5%
Property Donated	\$600,000
Cost Basis	\$120,000
Charitable Deduction	\$177,570
Total Management Fees	\$236,847
Total Payments to Harold & Betty Before Taxes	\$1,174,305
Total Payments to Harold & Betty After Taxes	\$636,473
Benefit to THE CHARITY	\$832,875
Total Benefit	\$1,469,348



4. Net Income With Makeup Charitable Remainder Unitrust (NIMCRUT)

Detailed Cash Flow Analysis

ASSUMPTIONS:

Projection runs for 33 years.

Measuring life ages are 63 and 61.

Principal donated is \$600,000. Cost basis is \$120,000

5% Net Income with Makeup Unitrust

Year	Year-End Principal	Appreciation	Income	Mgmt Fees	Payments to Beneficiary	Tax-Free Portion	After-Tax Payments
		(4.5%)	(2.5%)	(1%)			
2021	\$600,000						
2022	627,000	\$27,000	\$15,000	\$6,270	\$8,730	\$0	\$4,732
		(0.75%)	(6.25%)				
2023	631,703	4,703	39,188	6,317	32,870	0	17,816
2024	636,440	4,738	39,481	6,364	33,117	0	17,949
2025	641,214	4,773	39,778	6,412	33,365	0	18,084
2026	646,023	4,809	40,076	6,460	33,616	0	18,220
2027	650,868	4,845	40,376	6,509	33,868	0	18,356
2028	655,749	4,882	40,679	6,557	34,122	0	18,494
2029	660,667	4,918	40,984	6,607	34,378	0	18,633
2030	665,622	4,955	41,292	6,656	34,635	0	18,772
2031	670,615	4,992	41,601	6,706	34,895	0	18,913
2032	675,644	5,030	41,913	6,756	35,157	0	19,055
2033	680,712	5,067	42,228	6,807	35,421	0	19,198
2034	685,817	5,105	42,544	6,858	35,686	0	19,342
2035	690,961	5,144	42,864	6,910	35,954	0	19,487
2036	697,229	5,182	43,185	6,961	35,137	0	19,044
2037	704,149	5,229	43,577	7,025	34,861	0	18,895
2038	711,138	5,281	44,009	7,094	35,207	0	19,082



4. Net Income With Makeup Charitable Remainder Unitrust (NIMCRUT)

Unitrust Makeup Analysis

ASSUMPTIONS:

Projection runs for 33 years.

Measuring life ages are 63 and 61.

Principal donated is \$600,000. Cost basis is \$120,000.

5% Net Income with Makeup Unitrust

Year	Payments to Beneficiary	Unitrust % Amount	Net Income	Shortfall	Amount Madeup	Year-End Makeup Balance
2022	\$8,730	\$30,000	\$8,730	\$21,270	\$0	\$21,270
2023	32,870	31,350	32,870	0	1,520	19,750
2024	33,117	31,585	33,117	0	1,532	18,218
2025	33,365	31,822	33,365	0	1,543	16,674
2026	33,616	32,061	33,616	0	1,555	15,119
2027	33,868	32,301	33,868	0	1,567	13,553
2028	34,122	32,543	34,122	0	1,578	11,974
2029	34,378	32,787	34,378	0	1,590	10,384
2030	34,635	33,033	34,635	0	1,602	8,782
2031	34,895	33,281	34,895	0	1,614	7,168
2032	35,157	33,531	35,157	0	1,626	5,542
2033	35,421	33,782	35,421	0	1,638	3,903
2034	35,686	34,036	35,686	0	1,651	2,253
2035	35,954	34,291	35,954	0	1,663	589
2036	35,137	34,548	36,224	0	589	0
2037	34,861	34,861	36,552	0	0	0
2038	35,207	35,207	36,915	0	0	0



5. Flip Charitable Remainder Unitrust (F-CRUT)

Flip Charitable Remainder Unitrust (F-CRUT)

- Trust functions as *combination* of NICRUT and S-CRUT

HOWEVER

- For all years leading up to and including the year of triggering event, trust pays net income only if net income is LESS than computed unitrust amount
- At beginning of next calendar year, trust “flips” (converts) to an S-CRUT, and pays computed unitrust amount regardless of how much income earned
- Triggering event – sale of “unmarketable asset,” specified date, etc. – determines when trust “flips” from NICRUT to S-CRUT payments
- All other rules for CRUTs apply



5. Flip Charitable Remainder Unitrust (F-CRUT)

Flip Charitable Remainder Unitrust (F-CRUT)

- **Most typical donor:** younger donors, more risk tolerant, not looking for significant income right away
- **Positive attributes:** payment amounts usually go up dramatically after flip; good vehicle for less liquid and highly-appreciated assets (especially real estate), also good for retirement planning
- **Negative attributes:** Less liquid assets may take much longer to sell; real estate must be maintained until sold, modest net income **MUST** be distributed during pre-flip years



5. Flip Charitable Remainder Unitrust (F-CRUT)

Summary of Benefits Projection For Reynaldo & Isabel Garcia

ASSUMPTIONS:

Projection runs for 24 years.
 Measuring life ages are 71 and 70.
 Management fees: 1% of principal.

	Flip Unitrust 5%
Property Donated	\$750,000
Cost Basis	\$65,000
Charitable Deduction	\$312,233
Total Management Fees	\$238,429
Total Benefit To Payment Recipient	\$1,027,062
Total After-Tax Benefit To Payment Recipient	\$674,833
Benefit to THE CHARITY	\$1,081,641
Total Benefit	\$1,756,473



5. Flip Charitable Remainder Unitrust (F-CRUT)

Detailed Cash Flow Analysis

ASSUMPTIONS:

Projection runs for 24 years.

Measuring life ages are 71 and 70.

Principal donated is \$750,000. Cost basis is \$65,000.

Donor income tax bracket is 45.8%, 42% for tax savings, and 28.8% for capital gains.

5% Flip Unitrust

Year	Year-End Principal	Appreciation	Income	Mgmt Fees	Payments to Beneficiary	Tax-Free Portion	After-Tax Payments
		(4.5%)	(2.5%)	(1%)			
2021	\$750,000						
2022	783,750	\$33,750	\$18,750	\$7,838	\$10,913	\$0	\$5,915
2023	819,019	35,269	19,594	8,190	11,404	0	6,181
2024	855,875	36,856	20,475	8,559	11,917	0	6,459
2025	894,389	38,514	21,397	8,944	12,453	0	6,750
Flip							
2026	902,930	40,248	22,360	9,346	44,719	0	29,628
2027	911,553	40,632	22,573	9,436	45,147	0	29,911
2028	920,259	41,020	22,789	9,526	45,578	0	30,197
2029	929,047	41,412	23,006	9,617	46,013	0	30,485
2030	937,920	41,807	23,226	9,709	46,452	0	30,776
2031	946,877	42,206	23,448	9,801	46,896	0	31,070
2032	955,919	42,609	23,672	9,895	47,344	0	31,367
2033	965,048	43,016	23,898	9,989	47,796	0	31,666
2034	974,265	43,427	24,126	10,085	48,252	0	31,969
2035	983,569	43,842	24,357	10,181	48,713	0	32,274
2036	992,962	44,261	24,589	10,278	49,178	0	32,582
2037	1,002,445	44,683	24,824	10,376	49,648	0	32,893
2038	1,012,018	45,110	25,061	10,476	50,122	0	33,207
2039	1,021,683	45,541	25,300	10,576	50,601	0	33,525



6. Flip With Makeup Charitable Remainder Unitrust (FLIM-CRUT)

Flip With Makeup Charitable Remainder Unitrust (FLIM-CRUT)

- Trust functions as *combination* of NIMCRUT and S-CRUT
- For all years leading up to and including the year of triggering event, trust pays net income only if net income is LESS than computed unitrust amount

MOREOVER

- Trust may make up shortfall payments during pre-flip years, especially if definition of net income includes post-contribution capital gains
- At beginning of next calendar year after triggering event, trust “flips” (converts) to an S-CRUT, and pays computed unitrust amount regardless of how much income earned



6. Flip With Makeup Charitable Remainder Unitrust (FLIM-CRUT)

Flip With Makeup Charitable Remainder Unitrust (FLIM-CRUT)

- **Most typical donor:** not age specific, somewhat more risk tolerant, hoping for modest and increasing income stream
- **Positive attributes:** payment amounts go up after the sale of appreciated assets AND also after the flip; good vehicle for less liquid and highly-appreciated assets (especially real estate)
- **Negative attributes:** Less liquid assets may take much longer to sell; real estate must be maintained until sold, income during pre-flip years may still be modest (depending on amount of "new" realized gains)



6. Flip With Makeup Charitable Remainder Unitrust (FLIM-CRUT)

Summary of Benefits Projection For Reynaldo & Isabel Garcia

ASSUMPTIONS:

Projection runs for 24 years.
Measuring life ages are 71 and 70.

Management fees: 1% of principal.

	Flip Makeup Unitrust 5%
Property Donated	\$750,000
Cost Basis	\$65,000
Charitable Deduction	\$312,233
Total Management Fees	\$229,886
Total Benefit To Payment Recipient	\$1,021,309
Total After-Tax Benefit To Payment Recipient	\$667,256
Benefit to THE CHARITY	\$1,040,829
Total Benefit	\$1,708,085



6. Flip With Makeup Charitable Remainder Unitrust (FLIM-CRUT)

Detailed Cash Flow Analysis

ASSUMPTIONS:

Projection runs for 24 years.

Measuring life ages are 71 and 70.

Principal donated is \$750,000. Cost basis is \$65,000.

Donor income tax bracket is 45.8%, 42% for tax savings, and 28.8% for capital gains.

5% Flip with Makeup Unitrust

Year	Year-End Principal	Appreciation	Income	Mgmt Fees	Payments to Beneficiary	Tax-Free Portion	After-Tax Payments
		(3.5%)	(3.5%)	(1%)			
2021	\$750,000						
2022	776,250	\$26,250	\$26,250	\$7,763	\$18,488	\$0	\$10,020
2023	803,419	27,169	27,169	8,034	19,135	0	10,371
2024	831,538	28,120	28,120	8,315	19,804	0	10,734
2025	860,642	29,104	29,104	8,606	20,497	0	11,110
Flip							
		(4.5%)	(2.5%)				
2026	868,861	38,729	21,516	8,994	43,032	0	28,510
2027	877,159	39,099	21,722	9,080	43,443	0	28,782
2028	885,536	39,472	21,929	9,166	43,858	0	29,057
2029	893,993	39,849	22,138	9,254	44,277	0	29,335
2030	902,530	40,230	22,350	9,342	44,700	0	29,615
2031	911,150	40,614	22,563	9,431	45,127	0	29,898
2032	919,851	41,002	22,779	9,522	45,557	0	30,183
2033	928,636	41,393	22,996	9,612	45,993	0	30,471
2034	937,504	41,789	23,216	9,704	46,432	0	30,762
2035	946,457	42,188	23,438	9,797	46,875	0	31,056
2036	955,496	42,591	23,661	9,890	47,323	0	31,353



7. Testamentary Charitable Remainder Unitrust (T-CRUT)

Testamentary Charitable Remainder Unitrust (T-CRUT)

- Donor establishes T-CRUT through will or revocable trust
- T-CRUT is funded upon donor's death
- Produces estate tax deduction rather than income tax deduction
- All other rules for CRUTs apply



7. Testamentary Charitable Remainder Unitrust (T-CRUT)

Testamentary Charitable Remainder Unitrust (T-CRUT)

- **Most typical donor:** older person with substantial assets, wants to provide for children and other heirs, may want to use residue of IRA assets after elimination of stretch IRA
- **Positive attributes:** payment amounts generally increase over time, donor has use of funds until death; arrangements can be changed anytime during life
- **Negative attributes:** funding process can be complicated and subject to delays, funding may occur incrementally, special IRS-mandated formula for calculating "as of" payments to beneficiaries



7. Testamentary Charitable Remainder Unitrust (T-CRUT)

TESTAMENTARY PLAN WITHOUT T-CRUT:

Original principal is \$1,000,000 retirement plan.
Donor income tax bracket is 37%.

BEQUEST TO FAMILY

Gross Principal	\$1,000,000
Income Taxable Amount	\$1,000,000
Income Tax	\$370,000
Effect on Retirement Plan:	
Total Taxes on Principal	\$370,000
Effective Tax Rate	37%
Net Bequest to Family	\$630,000



7. Testamentary Charitable Remainder Unitrust (T-CRUT)

TESTAMENTARY PLAN WITH T-CRUT:

The shorter of fixed term of 20 years or measuring lives age 56, 54.

Original principal is \$1,000,000 retirement plan.

Donor income tax bracket is 37%.

5% CHARITABLE REMAINDER UNITRUST

Gross Principal	\$1,000,000
Income Taxable Amount	\$1,000,000
Income Tax	\$0
Effect on Retirement Plan:	
Total Taxes on Principal	\$0
Effective Tax Rate	0%
Tax Savings v. Bequest to Family	\$370,000



8. Proposed Tax Changes

American Families Plan

- Capital gains tax rate would be doubled from 20% to 39.6% for taxpayers with income > \$1 million.
- Step-up in cost basis would be eliminated for inherited gains over \$1 million (\$2.5 million per couple when combined with existing real estate exemptions).
- Taxable estates would increase from 0.1% of all estates to nearly 10% of all estates. Estates would pay a 39.6% capital gains tax.
- Proposed changes to taxation of capital gains would create strong tax incentives for wealthy donors to give long-term appreciated assets to charity throughout their lives and through their estates.



8. Proposed Tax Changes

“GreenBook” (Revenue proposals for FY 2022)

- Capital gains on transfers of appreciated property by gift or upon death would be taxed.
- No tax on gains if transfers are 100% charitable gifts.
- Capital gains on non-charitable portions of split interest gift arrangements, such as CRTs, would be taxed.



9. Conclusion

**Thank you for your time and
attention!**

**We appreciate the great work
you are all doing!**

Stay safe and be well.



Questions?





Still Have a Question?

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