

Chapter 29. Illustrations

Impact on Total Estate Tax.

By implementing a gifting program, your Federal Estate Taxes can be substantially reduced. The following example provides an illustration using some of the techniques discussed earlier.

<p>Facts</p> <ul style="list-style-type: none"> • Family-owned business • Stock Value Today = \$10M • 10% Growth each year for 10 Years • Stock Value 2021 = \$25M • Married Couple Need \$5.43 M of Life Exemption for other assets at death. • Transaction in 2015 • Death in 2025 • 2015 Estate/Gift Tax System • “S” Corporation 	<p>Assumptions</p> <ol style="list-style-type: none"> 1. 40% Estate Tax Rate 2. Interest Rate GRAT = 2.0% IDGT = 1.0% 3. Calc’s Roughed & Simplified for Illustration 4. Ignored Income Tax Effect <p>Other Considerations GRAT – Owner must survive GRAT Life</p>
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Example: Transfer To Children - - Results At Death (Rounded)

