

FEDERAL ESTATE TAX CALCULATIONS

Estate of: John P. Smith
Form 706 (Rev. August 2004)

Tax Computation

1	Total gross estate		4,067,944.49
2	Total allowable deductions		1,087,090.61
3	Taxable estate		2,980,853.88
4	Adjusted taxable gifts		0.00
5	Lines 3 and 4		2,980,853.88
6	Tentative tax		1,251,609.86
7	Total gift tax payable		0.00
8	Gross estate tax (lines 6 minus 7)		1,251,609.86
9	Maximum unified credit	555,800.00	
10	Adjustment to unified credit	0.00	
11	Allowable unified credit (lines 9 minus 10)		555,800.00
12	Lines 8 minus 11		695,809.86
13	Credit for state death taxes		45,078.79
14	Lines 12 minus 13		650,731.07
15	Credit for gift taxes (pre-1977)	0.00	
16	Credit for foreign death taxes	0.00	
17	Credit for tax on prior transfers	0.00	
18	Total (lines 15, 16, and 17)		0.00
19	Net estate tax (lines 14 minus 18)		650,731.07
20	Generation-skipping transfer taxes		0.00
21	Total taxes (lines 19 and 20)		650,731.07
22	Prior payments	0.00	
23	United States Treasury bonds	0.00	
24	Total (lines 22 and 23)		0.00
25	Balance due (lines 21 minus 24)		650,731.07

RECAPITULATION
Gross Estate

	<u>Alternate Value</u>	<u>Value at Date of Death</u>
1 Sch A - Real Estate		1,875,000.00
2 Sch B - Stocks and Bonds		1,263,133.93
3 Sch C - Mortgages, Notes, and Cash		216,497.56
4 Sch D - Insurance		247,313.00
5 Sch E - Jointly Owned Property		300,000.00
6 Sch F - Miscellaneous Property		166,000.00
7 Sch G - Transfers During Life		0.00
8 Sch H - Powers of Appointment		0.00
9 Sch I - Annuities		0.00
10 Total gross estate		4,067,944.49
11 Sch U - Qual. Conservation Easement		0.00
12 Total gross estate less exclusion		4,067,944.49

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RECAPITULATION
Deductions

13	Sch J - Funeral and Administration Expenses		60,309.00
14	Sch K - Debts of the Decedent		5,436.99
15	Sch K - Mortgages and Liens		0.00
16	Total of items 13 through 15		65,745.99
17	Allowable amount of deductions		65,745.99
18	Sch L - Net Losses During Administration		0.00
19	Sch L - Expenses on Property Not Subject to Claims		0.00
20	Sch M - Bequests to Surviving Spouse		863,334.08
21	Sch O - Charitable Bequests		158,010.54
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22	Total allowable deductions		1,087,090.61

Schedule M - Bequests, etc., to Surviving Spouse

4	Total interests		1,275,255.75
5(a)	Federal estate taxes payable	325,365.53	
	(b) Other death taxes payable	86,556.14	
	(c) GST taxes payable	0.00	
	(d) Add items (a), (b) and (c)		411,921.67
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6	Net value		863,334.08

Schedule O - Charitable, Public, and Similar Gifts and Bequests

3	Total		363,971.38
4(a)	Federal estate taxes payable	162,682.77	
	(b) Other death taxes payable	43,278.07	
	(c) GST taxes payable	0.00	
	(d) Add items (a), (b) and (c)		205,960.84
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5	Net value		158,010.54

Calculation of Estate Residue

Gross estate (line 1, Form 706)		4,067,944.49
Less:		
Deductions on Schedules J, K, and L	65,745.99	
Preresiduary gifts:		
Mary L. Smith:		
Life insurance	247,313.00	
Joint tenancy property	300,000.00	
Susan T. Ross:		
1/2 of farm pursuant to Article 3	937,500.00	
1/2 of farm equipment pursuant to Article 3	62,000.00	
Lawrence W. Smith:		
1/2 of farm pursuant to Article 3	937,500.00	
1/2 of farm equipment pursuant to Article 3	62,000.00	
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Total reductions		(2,612,058.99)
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Residue prior to payment of taxes		1,455,885.50

Calculation of Intervivos Trust Residue

Lifetime transfers listed on Schedule G	0.00
Trust residue prior to payment of taxes	<u>0.00</u>

State Death Tax Calculation

Federal gross estate	4,067,944.49	
Adjustment	(60,000.00)	
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Gross estate for state purposes		4,007,944.49
Less:		
Federal deductions (Schedules J, K, and L)	65,745.99	
Adjustment	0.00	
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Net deductions	65,745.99	
Federal marital deduction	1,275,255.75	
Adjustment	0.00	
Reduction for:		
Federal estate tax	(325,365.53)	
Federal GST tax	0.00	
State estate tax	(86,556.13)	
Other taxes	0.00	
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State marital deduction	863,334.09	
Federal charitable deduction	363,971.38	
Adjustment	0.00	
Reduction for:		
Federal estate tax	(162,682.77)	
Federal GST tax	0.00	
State estate tax	(43,278.07)	
Other taxes	0.00	
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State charitable deduction	158,010.54	
Deduction for taxes		
Deductible federal estate tax	0.00	
Deductible federal GST tax	0.00	
Other deductible taxes	0.00	
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Deductible taxes	0.00	
Total reductions		(1,087,090.62)
Plus adjusted taxable gifts		0.00
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Total estate for purposes of tax computation		2,920,853.87
Tax on above amount		180,315.14
Gift taxes payable		0.00
Credits applied before out-of-state percent		0.00
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Tentative state estate tax		180,315.14
Portion of estate taxable by estate		96.0054 %
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		173,112.27
Credits applied after out-of-state percent		0.00
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Net state estate tax		173,112.27