

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 . . . . .		1,143,400.14
3a	Tentative taxable estate (lines 1 minus 2) . . . . .		2,924,544.35
b	State death tax deduction . . . . .		168,354.97
c	Taxable estate . . . . .		2,756,189.38
4	Adjusted taxable gifts . . . . .		0.00
5	Lines 3 and 4 . . . . .		2,756,189.38
6	Tentative tax . . . . .		1,136,209.01
7	Total gift tax payable . . . . .		0.00
8	Gross estate tax (lines 6 minus 7) . . . . .		1,136,209.01
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 . . . . .		580,409.01
13	Credit for foreign death taxes . . . . .	0.00	
14	Credit for tax on prior transfers . . . . .	0.00	
15	Total (lines 13 and 14) . . . . .		0.00
16	Net estate tax (lines 12 minus 15) . . . . .		580,409.01
17	Generation-skipping transfer taxes . . . . .		0.00
18	Total transfer taxes (lines 16 and 17) . . . . .		580,409.01
19	Prior payments . . . . .		0.00
20	Balance due (lines 18 minus 19) . . . . .		580,409.01

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

FEDERAL ESTATE TAX CALCULATIONS

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

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 .....		900,873.76
21	Sch O - Charitable Bequests .....		176,780.39
			<hr/>
22	Total allowable deductions .....		1,143,400.14

Schedule M - Bequests, etc., to Surviving Spouse

4	Total interests		1,275,255.75
5(a)	Federal estate taxes payable	290,204.50	
	(b) Other death taxes payable	84,177.49	
	(c) GST taxes payable	0.00	
	(d) Add items (a), (b) and (c)		374,381.99
			<hr/>
6	Net value		900,873.76

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

3	Total		363,971.38
4(a)	Federal estate taxes payable	145,102.25	
	(b) Other death taxes payable	42,088.74	
	(c) GST taxes payable	0.00	
	(d) Add items (a), (b) and (c)		187,190.99
			<hr/>
5	Net value		176,780.39

## 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	
	<hr/>	
Total reductions		(2,612,058.99)
		<hr/>
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)	
	<hr/>	
Gross estate for state purposes		4,007,944.49
Less:		
Federal deductions (Schedules J, K, and L)	65,745.99	
Adjustment	0.00	
	<hr/>	
Net deductions	65,745.99	
Federal marital deduction	1,275,255.75	
Adjustment	0.00	
Reduction for:		
Federal estate tax	(290,204.50)	
Federal GST tax	0.00	
State estate tax	(84,177.48)	
Other taxes	0.00	
	<hr/>	
State marital deduction	900,873.77	
Federal charitable deduction	363,971.38	
Adjustment	0.00	
Reduction for:		
Federal estate tax	(145,102.25)	
Federal GST tax	0.00	
State estate tax	(42,088.74)	
Other taxes	0.00	
	<hr/>	
State charitable deduction	176,780.39	
Deduction for taxes		
Deductible federal estate tax	0.00	
Deductible federal GST tax	0.00	
Other deductible taxes	0.00	
	<hr/>	
Deductible taxes	0.00	
Total reductions		(1,143,400.15)
Plus adjusted taxable gifts		0.00
		<hr/>
Total estate for purposes of tax computation		2,864,544.34
Tax on above amount		175,359.90
Gift taxes payable		0.00
Credits applied before out-of-state percent		0.00
		<hr/>
Tentative state estate tax		175,359.90
Portion of estate taxable by estate		96.0054 %
		<hr/>
		168,354.97
Credits applied after out-of-state percent		0.00
		<hr/>
Net state estate tax		168,354.97