

Split-Interest Trusts, Filing Year 2006

by Lisa Schreiber

The *Split-Interest Trust Information Return* (Form 5227) is filed by entities with both charitable and noncharitable beneficiaries. In Filing Year 2006, preparers filed 124,036 Forms 5227, about the same number as in 2005.¹ Total distributions remained stable, with \$8.4 billion reported in both 2005 and 2006. The total end-of-year book value of assets in Filing Year 2006 was more than \$108.2 billion, a 1.6-percent increase from 2005.

A split-interest trust (SIT) can be created by a will or a trust instrument. The trust instrument specifies the term of the trust, designates the trustee(s), as well as the beneficiaries, and provides parameters for managing assets and distributing income to the beneficiaries. The instrument usually specifies the contents of the trust. The individual who owns, and then transfers, the assets that make up the trust corpus is known as the grantor.

A trustee is charged with holding, investing, and distributing the income and assets of the trust. A trustee may be an individual, a group of individuals, or an entity such as a bank or charity. Each trustee must ensure that all transactions, including distributions, conform to the requirements of the trust document and to any applicable laws. Additionally, trustees must coordinate the preparation, verification, and submission of all required State and Federal tax forms.

There are three distinct types of split-interest trusts: charitable remainder trusts, charitable lead trusts, and pooled income funds. In 2006, some 116,062 returns for charitable remainder trusts were submitted (Figure A). Trustees for charitable lead trusts submitted 6,298 returns in 2006, while pooled income fund trustees submitted 1,676 returns.

Charitable Remainder Trusts

Under a charitable remainder trust (CRT) agreement, an income stream is distributed annually to one or more noncharitable beneficiaries for a defined period. The period may be either a fixed duration, statutorily

limited to 20 years, or the lifetime of a noncharitable beneficiary.² At the conclusion of the period, the trust is dissolved, and the remaining value is distributed to predetermined charitable beneficiaries.³ The present value of the expected future charitable distribution must equal at least 10.0 percent of the initial fair market value of the assets placed in the trust.⁴

The donor must file a *U.S. Gift Tax Return* (Form 709) for all assets contributed to the trust. For tax year 2005, reflected in 2006 filings, any gift exceeding \$11,000 is taxable and is included in the donor's lifetime exclusion.⁵ At the time of trust creation, the donor receives an income tax deduction based on an estimate of the charitable distribution. The donor is also eligible for a gift tax deduction if the charitable beneficiary has been named. A beneficiary must report the distributions as gross income on his or her *U.S. Individual Income Tax Return* (Form 1040).

There are two types of charitable remainder trusts. Charitable remainder annuity trusts (CRATs) and charitable remainder unitrusts (CRUTs) differ in the calculation of the noncharitable distribution amount. Charitable remainder annuity trusts annually distribute a fixed percentage, between 5.0 percent and 50.0 percent, of the initial fair market value of the property in the trust. As a result, the amount of the distribution to noncharitable beneficiaries from a CRAT should be the same each year. Charitable remainder unitrusts distribute a fixed percentage, between 5.0 percent and 50.0 percent, of the fair market value of the trust property, valued annually. Therefore, the value of the distribution to noncharitable beneficiaries from a CRUT, called the unitrust amount, may vary from year to year, depending on the value of the assets in the trust.

There are two common variants of charitable remainder unitrusts that allow for added flexibility of noncharitable distributions. One variant, a net income charitable remainder unitrust (NI-CRUT), permits the trustee to distribute only the amount of trust income for that year, should that amount be less than the distribution that would otherwise be required.⁶ This allows the trustee to limit distributions in years when the trust's income is low, to avoid depletion of

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¹ A filing year includes all returns submitted to IRS processing between January 1 and December 31 of that year. Returns filed in 2006 were primarily for Tax Year 2005.

² For more information on the allowable duration of charitable remainder trusts, see Internal Revenue Code section 664(d)(1)(A) and 664(d)(2)(A).

³ The qualifications for a "charitable beneficiary" are detailed in Internal Revenue Code section 170(c).

⁴ The method for determining the fair market value of a trust is given in Internal Revenue Code section 7520.

⁵ The gift tax threshold is indexed for inflation. In the case of a couple who are splitting gifts, the threshold is doubled.

⁶ For more information regarding net income charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(A).

Figure A

Profile of Split-Interest Trusts, by Type of Trust, Filing Years 2005 and 2006

[Money amounts are in thousands of dollars]

Item	All		Charitable remainder annuity trusts		Charitable remainder unitrusts	
	2005	2006	2005	2006	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	124,292	124,036	21,667	21,296	94,779	94,767
Total distributions [1]	8,424,057	8,390,320	1,002,261	1,232,106	6,358,763	5,978,298
Book value of assets, end of year [2]	106,507,419	108,248,391	9,540,935	9,041,175	79,845,710	81,121,949

Item	Charitable lead trusts		Pooled income funds	
	2005	2006	2005	2006
	(7)	(8)	(9)	(10)
Number of returns	6,168	6,298	1,677	1,676
Total distributions [1]	935,744	1,058,070	127,290	121,847
Book value of assets, end of year [2]	15,500,073	16,485,658	1,620,701	1,599,610

[1] In the case of charitable remainder annuity trusts and charitable remainder unitrusts, the value of distributions have been calculated as the sum of all distribution types from the Current Distributions Schedule (Form 5227, Part III). In the case of charitable lead trusts, distributions have been calculated as the sum of "excess income required to be paid for charitable purposes" (line 2), "annuity or unitrust payment required to be paid to charitable beneficiaries" (line 3), and "annuity or unitrust payments required to be paid to private beneficiaries" (line 4) from Form 5227, Part VII, Section A, the Questionnaire for Charitable Lead Trusts. In the case of pooled income funds, distributions were calculated as the "amount required to be distributed to satisfy the remainder interest" (line 2), plus the "amount of income required to be paid to the private beneficiaries" (line 4), plus the "amount of income required to be paid to the charitable remainder beneficiary" (line 5), less the "amounts that were required to be distributed to the remainder beneficiary that remain undistributed" (line 3) from Form 5227, Part VII, Section B, the Questionnaire for Pooled Income Trusts.

[2] Taken from Form 5227, Part IV, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

the trust corpus. A related variant is called the net income with makeup charitable remainder unitrust (NIM-CRUT).⁷ A NIM-CRUT works like a NI-CRUT, in that the trustee is allowed to distribute the lesser of the trust income or the required percentage of fair market value. However, the reductions in required distributions accumulate. The trustee must make up for previous distribution deficiencies when trust income permits.

Charitable remainder unitrusts may accept property transfers throughout the life of the trust. These are called "additional contributions." These contributions may be in the form of any asset, including cash and stock. All additional contributions must be detailed on an attachment to the Form 5227 filed for the year in which the contribution was received. The presence of additional contributions complicates the calculation of the unitrust amount. Preparers must

prorate the value of the contributions based on the date they were donated to the trust.⁸ The unitrust amount is then calculated by multiplying the sum of the balance sheet fair market value and the prorated value of the additional contributions by the unitrust percentage.

Charitable Lead Trusts

Under a charitable lead trust (CLT) agreement, a charitable organization receives the income interest in the trust assets, while the remainder interest is assigned to a noncharitable beneficiary, usually the grantor or the grantor's spouse. Annual distributions are made to a predetermined charitable beneficiary. The amount of CLT distributions is not constrained by minimum or maximum payout restrictions. The distributions continue for the lifetime of the noncharitable beneficiary.⁹

⁷ For more information regarding net income with makeup charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(B).

⁸ Prorating requires the preparer to calculate the number of days remaining in the year when the additional contribution is made. This number is then divided by the total number of days in the calendar year. The resulting percentage is then multiplied by the value of the additional contribution to determine the prorated value of the additional contributions.

⁹ In order to qualify, the individual or individuals must be the donor, the donor's spouse, a linear ancestor of a noncharitable beneficiary, or the spouse of a linear ancestor of a noncharitable beneficiary. For more information, see Treasury Regulations 1.1170A-6(c)(2)(i).

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Charitable lead trusts are classified as annuity trusts or unitrusts depending on the calculation of the distribution amount. Charitable lead annuity trusts (CLATs) distribute a fixed dollar amount of the initial fair market value of the trust property. Charitable lead unitrusts (CLUTs) distribute a fixed percentage of the net fair market value of the trust property, determined annually. CLATs tend to be favored over CLUTs. CLATs do not require that the trust property be revalued annually, therefore reducing the trustee's costs, and allow the noncharitable remainder beneficiaries to benefit from the appreciation of trust assets.

CLTs are further classified by the role of the donor. If the donor of the trust assets is the noncharitable beneficiary, the trust is classified as a grantor charitable lead trust. In this case, the grantor will receive an income tax deduction up to the amount of the present value of the future charitable distributions as well as a gift tax deduction.¹⁰ Because a grantor CLT is not considered a separate taxable entity, the grantor must pay tax on income earned by the trust. Grantor CLTs are generally used to convert future charitable contributions into a current tax deduction. A trust is classified as a nongrantor charitable lead trust if the donor of the trust property is not a beneficiary. In the case of nongrantor charitable lead trusts, the grantor receives only a gift tax charitable deduction at the time of the trust creation equal to the present value of the future charitable distributions. The nongrantor CLT is considered a fully taxable separate entity for income tax purposes. As a result, the grantor is not liable for tax owed on trust income. Nongrantor CLTs are generally used as a transfer tax reduction technique.

Pooled Income Funds

Under a pooled income fund (PIF) arrangement, donors to a charitable organization contribute assets to a pool of donated assets and, in return, receive income payments for the remainder of the grantors' lifetimes.¹¹ The transfer of assets to the fund must be irrevocable, meaning it cannot be altered or can-

celled without consent of the beneficiary. Generally, donors contribute to existing pooled income funds, thus incurring far lower administrative costs to the grantor than a charitable remainder trust. At the time of donation, the grantor receives income and gift tax deductions equal to the estimated value of the eventual charitable contribution. The donee charity, commonly a large educational institution, is responsible for the maintenance of the fund, including investing assets and making distributions to beneficiaries. PIFs are prohibited from investing in tax-exempt securities. Each year, grantors receive a distribution from the fund based on the ratio of their contributions to the value of the investment pool and the return on the fund assets for that year. These distributions are reported as gross income on the grantor's Form 1040. At the time of the donor's death, the charity receives the grantor's prorated share of the value of the PIF.

Analysis Overview

A *Split-Interest Trust Information Return* (Form 5227) must be submitted for each calendar year a split-interest trust is in existence.¹² Form 5227 must be filed with the IRS by April 15 of the year following the applicable calendar year. Form 5227 is used to disclose the financial activities of the trust, not to calculate tax liability. If a trust incurred any taxable income during the calendar year, a Form 1041, *United States Income Tax Return for Estates and Trusts*, must be completed.

The number of Forms 5227 filed decreased from 124,292 during Filing Year 2005 to 124,036 in 2006 (Figure A). Charitable remainder unitrusts remained the most common type of split-interest trust. Pooled income funds made up the smallest percentage of the SIT population. The majority of returns filed in 2006 were for ongoing trusts, in neither the first nor last year of existence. However, some 4,213, or 3.4 percent of the population, were filed with an initial status (Figure B).¹³ Final returns were even less common; in 2006, preparers for terminating trusts filed 3,720 returns. The average lifetime of a terminating trust in Filing Year 2006 was almost 12 years.¹⁴

¹⁰ This charitable deduction is not without limit. In general, individuals may not receive a deduction for a charitable contribution in excess of 50.0 percent of the taxpayer's contribution base, usually equal to the adjusted gross income. This and other related limitations on charitable deductions are further described in Internal Revenue Code section 170(b).

¹¹ Pooled income funds are further discussed in Internal Revenue Code section 642(c)(5).

¹² Split-interest trusts created before May 27, 1969, are exempt from having to file a Form 5227, as long as no amounts have been transferred to the trust since May 27, 1969.

¹³ An initial return denotes the first return filed by a trust during its lifetime. Generally, these returns cover the tax year in which the trust was created.

¹⁴ The trust lifetime was estimated by subtracting the year of the reported creation date from the tax year of the final return. <?> Trusts that do not report end-of-year total assets, or that report the amount as zero, are often final-year filers. In those instances, the trusts usually report asset amounts for the beginning of the year, but, as they have terminated, there are no trust assets to report for the end of the year.

Figure B

Filing Status Frequency, by Type of Trust, Filing Year 2006

Filing status	All		Charitable remainder annuity trusts		Charitable remainder unitrusts	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	124,036	100.0	21,296	100.0	94,767	100.0
Initial [1]	4,213	3.4	763	3.6	3,166	3.3
Final [2]	3,720	3.0	1,168	5.5	2,334	2.5

Filing status	Charitable lead trusts		Pooled income funds	
	Number of returns	Percent of total	Number of returns	Percent of total
	(7)	(8)	(9)	(10)
All returns	6,298	100.0	1,676	100.0
Initial [1]	283	4.5	0	0
Final [2]	* 156	* 2.5	* 62	* 3.7

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] An initial return status is denoted by selecting the "Initial return" box on line E of Form 5227.

[2] A final return status is denoted by selecting the "Final return" box on line E of Form 5227.

Paid preparers completed 75.6 percent of returns filed in 2006 (Figure C). However, in some instances, the trustee type may indicate the presence of a professional preparer even when the return does not indicate a paid preparer. Of those returns that did not indicate a paid preparer, 89.1 percent reported institutions, such as banks or charities, as the trustee. When entities such as these are acting as trustee, it is likely that the return was professionally prepared even if a paid preparer did not sign the return. For example, while paid preparers completed only 44.5 percent of the returns filed for pooled income funds, institutional trustees were reported for 91.1 percent of the PIF returns that did not indicate a paid preparer. CLTs were the type of trust most likely to be completed by a paid preparer. In 2006, only 17.2 percent of forms filed for CLTs did not utilize a paid preparer.

Form 5227 is divided into several parts, many of which are only completed for one type of split-interest trust. All trusts report the total fair market value of assets in the trust at the end of the tax year, as well as distribution information. The balance sheet portion of *Split-Interest Trust Information Return* is a detailed listing of the assets and liabilities of the trust and is completed, at least in part, by all SITs. There are three separate valuations for each asset and liability category: beginning-of-year book value;

end-of-year book value; and fair market value. The beginning- and end-of-year book values are reported for all types of trusts. For all SITs, the end-of-year book value of trust assets increased from \$106.5 billion in Filing Year 2005 to \$108.2 billion in 2006. The fair market valuation is only required for charitable remainder unitrusts. Tax law requires the fair market value to be assessed on the same date and by the same method each year that a Form 5227 is filed for a CRUT. Assets are apportioned into several categories, including cash, receivables, and investments. Investments are further separated into five categories: U.S. and State government obligations; corporate stock; corporate bonds; land, buildings, and equipment; and other. Liabilities are also separated into four categories, including accounts payable and deferred revenue.

This article primarily focuses on split-interest trust reporting for Filing Year 2006, reporting, primarily, information and activities that occurred in Calendar Year 2005. Throughout this article, trusts are described in terms of size as small, medium, or large, based on the trust's reported end-of-year total book value of assets. Small trusts are defined as those that reported total assets of \$500,000 or less, including those trusts that either did not report end-of-year book value of total assets or that reported the amount as zero.¹⁵ Medium trusts are defined as those

¹⁵ Trusts that do not report end-of-year total assets, or that report the amount as zero, are often final-year filers. In those instances, the trusts usually report asset amounts for the beginning of the year, but, as they have terminated, there are no trust assets to report for the end of the year.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure C

Utilization of Paid Preparers and Distribution of Trustee Type, by Type of Trust, Filing Years 2005 and 2006

Preparer status and type of trustee	All		Charitable remainder annuity trusts		Charitable remainder unitrusts	
	2005	2006	2005	2006	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	124,292	124,036	21,667	21,296	94,779	94,767
Paid preparer [1]	88,442	93,717	12,883	13,262	69,795	74,492
Unpaid preparer, total	35,850	30,318	8,785	8,033	24,984	20,274
Institutional trustee	33,338	27,012	8,614	7,601	22,703	17,670
Noninstitutional trustee	2,512	3,306	171	432	2,281	2,604

Preparer status and type of trustee	Charitable lead trusts		Pooled income funds	
	2005	2006	2005	2006
	(7)	(8)	(9)	(10)
All returns, total	6,168	6,298	1,677	1,676
Paid preparer [1]	4,950	5,217	815	746
Unpaid preparer, total	1,219	1,081	862	930
Institutional trustee	1,158	894	862	847
Noninstitutional trustee	60	187	0	83

[1] The presence of a paid preparer is indicated on Form 5227 by the completion of the paid preparer section found on page 4 of the return.

with between \$500,000 and \$3.0 million in total assets. Large trusts are defined as those that reported total assets of \$3.0 million or more.

Analysis by Type of Trust

Charitable Remainder Trusts

The income and deductions portion of Form 5227 is completed only for charitable remainder trusts, for which 116,062 returns were filed in 2006 (Figure D). Reported ordinary income is divided into seven classifications that include interest income, ordinary dividends, and business income or loss. Total ordinary income of \$3.0 billion was reported for CRTs in 2006, of which \$2.7 billion, or 90.3 percent, was reported for CRUTs. Deductions allocable to ordinary income are divided into three classifications: interest, taxes, and other deductions totaled \$547.6 million in 2006.¹⁶ The total ordinary income less deductions allocable to ordinary income is referred to, in this article, as “net ordinary income.” In 2006, this amount was \$2.4 billion.

Capital gains and losses are reported separately from net ordinary income. The total short-term capital gain or loss amount, as well as the total long-term capital gain or loss amount, is taken from Form 1041 Schedule D, *Capital Gains and Losses*, for the corresponding tax year. Deductions reduce the short- and long-term amounts, resulting in a “net short-term capital gain (loss)” and a “net long-term capital gain (loss).” Charitable remainder trust returns reported total net capital gains of \$7.4 billion in 2006 (Figure D). This is an increase of 16.6 percent from \$6.4 billion in 2005. A possible explanation for this increase may be continued effects of the Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) of 2003, which reduced the long-term capital gain tax rate from 20.0 percent to 15.0 percent, and, therefore, spurred the sales of capital assets. The 2005 tax year, reflected on returns filed in 2006, was the second full year that the law was in effect. Net long-term capital gains made up approximately 96.1 percent, or \$7.2 billion, of total net capital gains reported for CRTs in 2006. This is an increase of nearly \$1.2 billion over the net long-

¹⁶ Charitable remainder trusts are not allowed deductions for personal exemptions, charitable contributions, net operating losses, income distributions, capital loss carry forwards, Federal income taxes, or Federal excise taxes.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

term capital gains reported for CRTs in 2005. This change is minor compared to the \$2.5 billion, or 81.3 percent, increase seen between Filing Years 2004 and 2005, when the JGTRRA was initiated.

In this article, total net income is defined as the sum of net ordinary income, net capital gains, and nontaxable income. Nontaxable income, primarily from municipal bonds, is also reported separately from ordinary income. Charitable remainder trusts reported \$127.4 million in nontaxable income in 2006, a decrease of 4.5 percent from the \$133.4 million reported in 2005 (Figure D). Total net income reported for charitable remainder trusts increased by 10.6 percent, from \$9.0 in 2005 to \$10.0 billion in 2006, despite the relatively small increase, 0.3 per-

cent, in the number of returns filed. This increase is attributable to the \$1.1 billion increase in the total net capital gains reported for CRTs.

The accumulation schedule section of Form 5227 shows the flow of income through the trust from January 1 to December 31 of the tax year.¹⁷ This section is also only completed for charitable remainder trusts. Income is reported in two categories: undistributed income from prior years and current-year income. Income in these two categories is further disaggregated by source: ordinary; net short-term capital gains and losses; net long-term capital gains and losses; and nontaxable. Returns filed for CRTs in 2006 reported total accumulations, including ordinary income, short-term and long-term capital gains,

Figure D

Overview of Charitable Remainder Trusts, Filing Years 2005 and 2006

[Money amounts are in thousands of dollars]

Item	All charitable remainder trusts		Charitable remainder annuity trusts		Charitable remainder unitrusts	
	2005	2006	2005	2006	2005	2006
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	116,446	116,062	21,667	21,296	94,779	94,767
Total net income [1]	9,030,411	9,991,947	817,535	853,971	8,212,876	9,137,976
Net ordinary income [2]	2,517,779	2,425,472	226,971	235,279	2,290,808	2,190,193
Total net capital gains (losses) [3]	6,379,243	7,439,099	550,259	579,224	5,828,984	6,859,875
Nontaxable income [4]	133,389	127,376	40,305	39,468	93,085	87,908
Total accumulations [5]	65,111,364	66,278,298	5,540,401	5,407,534	59,570,962	60,870,765
Prior year undistributed	56,080,951	56,286,350	4,722,866	4,553,562	51,358,084	51,732,788
Current year accumulations	9,030,411	9,991,947	817,535	853,971	8,212,876	9,137,976
Undistributed at end of tax year [6]	58,696,916	59,734,950	4,737,789	4,481,374	53,959,127	55,253,576
Total distributions [7][8]	7,361,024	7,210,404	1,002,261	1,232,106	6,358,763	5,978,298
Total book value of assets at end of year	89,386,646	90,163,123	9,540,935	9,041,175	79,845,710	81,121,949
Cash, savings, and temporary cash investments	7,019,174	6,746,676	1,066,482	763,038	5,952,691	5,983,637
Receivables due [9]	1,136,970	1,281,565	135,076	155,005	1,001,894	1,126,560
Inventories and prepaid expenses	25,532	10,273	2,474	2,457	23,058	7,816
Investments	77,620,536	79,535,080	8,035,587	7,834,583	69,584,949	71,700,498
Other assets [10]	3,584,405	2,589,506	301,310	286,088	3,283,095	2,303,418
Total book value of liabilities at end of year	1,363,939	1,358,047	144,313	166,179	1,219,626	1,191,868
Net book value assets at end of year [11]	87,984,754	88,805,077	9,389,909	8,874,996	78,594,845	79,930,081

[1] Calculated as the sum of "ordinary income less deductions" (Form 5227, Part I, line 13), "net short-term capital gains (losses)" (line 16), "net long-term capital gains (losses)" (line 19), and "current tax year nontaxable income" (Part II, line 21(d)).

[2] Taken from "ordinary income less deductions" (Form 5227, Part I, line 13).

[3] Calculated as the sum of "net short-term capital gains (losses)" (Form 5227, Part I, line 16) and "net long-term capital gains (losses)" (line 19).

[4] Taken from "current tax year nontaxable income" (Form 5227, Part II, line 21(d)).

[5] Taken from Form 5227, Part II, line 22.

[6] Taken from Form 5227, Part II, line 23.

[7] Calculated as the sum of all distributions reported on Part III of Form 5227.

[8] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[9] Calculated as the sum of "accounts receivable" (Form 5227, Part IV, line 27, column (b)), "receivables due from officers, directors, and other disqualified persons" (line 28, column (b)), and "other notes and loans receivable" (line 29, column (b)).

[10] Calculated as the sum of charitable purpose land, buildings, and equipment (Form 5227, Part IV, line 35, column (b)) and other assets (line 36, column (b)).

[11] Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 37, column (b)) less total liabilities (line 43, column (b)) due to taxpayer reporting error.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

¹⁷ Those distributions made after December 31 of a tax year, for that tax year, will be included as undistributed at the end of the tax year on the accumulation schedule.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

and nontaxable income, of \$66.3 billion (Figure D). Approximately \$56.3 billion of the accumulations were undistributed from prior tax years. The accumulation schedule shows undistributed income at the end of the tax year, which is the amount of income held by the trust on the last day of the calendar year, once all payouts and distributions have been recorded. In Filing Year 2006, some \$59.7 billion was reported for end-of-year undistributed income. As shown in Figure D, returns filed for charitable remainder trusts reported \$7.2 billion in distributions and \$90.2 billion in end-of-year book value assets of in Filing Year 2006.

Charitable Remainder Annuity Trusts

During Filing Year 2006, some 21,296 Forms 5227 were filed for charitable remainder annuity trusts. This is a 1.7-percent decrease from Filing Year 2005, when 21,667 returns were filed. As in 2005, the majority of CRATs included in Filing Year 2006 were small trusts, with end-of-year book value of total assets less than \$500,000 (Figure E). Approximately \$854.0 million in total net income was reported for CRATs in 2006. The percentage of net income attributable to net long-term capital gains increased slightly between 2005 and 2006. Reported to be \$560.7 million, net long-term capital gains composed

65.7 percent of net income for CRATs. Nontaxable income accounted for the smallest portion of total net income.

Reported total accumulations for charitable remainder annuity trusts decreased from \$5.5 billion in Filing Year 2005 to \$5.4 billion in 2006 (Figure F). This included \$4.6 billion in prior-year undistributed income as well as \$854.0 million in current-year income. At the end of the tax year, CRATs reported \$4.5 billion in undistributed income. Most of the undistributed income, 91.2 percent or \$4.1 billion, was in the form of net long-term capital gains.

Figure G shows distributions made by charitable remainder annuity trusts in Filing Year 2006. In total, \$1.2 billion were distributed. The allocation of distributions between sizes of CRATs in 2006 parallels the allocation in previous filing years. Small CRATs, which accounted for 82.1 percent of all returns filed, accounted for 53.7 percent of distributions. Large CRATs accounted for 21.3 percent of total distributions but made up only 1.9 percent of the CRAT population. Long-term capital gains represented the largest portion of distributions for CRATs of all sizes. Corpus distributions constituted a decreasing percentage of distributions as size of charitable remainder annuity trusts increased, while

Figure E

Charitable Remainder Annuity Trusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
	(1)	(2)	(3)	(4)
Number of returns	21,296	17,480	3,417	399
Total net income [2]	853,971	158,870	318,043	377,057
Net ordinary income [3]	235,279	53,623	92,279	89,377
Total ordinary income	289,283	70,521	113,700	105,061
Deductions allocable to ordinary income	54,003	16,898	21,421	15,684
Net short-term capital gains or (losses) [4]	18,504	5,385	6,058	7,061
Net long-term capital gains or (losses) [5]	560,720	91,099	201,654	267,968
Nontaxable income [6]	39,468	8,763	18,052	12,652

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Calculated as the sum of "ordinary income less deductions" (Form 5227, Part I, line 13), "net short-term capital gains (losses)" (line 16), "net long-term capital gains (losses)" (line 19), and "current tax year nontaxable income" (Part II, line 21 (d)).

[3] Taken from "ordinary income less deductions" (Form 5227, Part I, line 13). This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part I, line 16.

[5] Taken from Form 5227, Part I, line 19.

[6] Taken from Form 5227, Part II, line 21(d).

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure F

Charitable Remainder Annuity Trusts: Accumulation Information, by Type of Income, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total	Type of income			
		Net ordinary income	Capital gains (losses)		Nontaxable income
			Net short-term	Net long-term	
	(1)	(2)	(3)	(4)	(5)
Total accumulations [1]	5,407,534	491,620	50,752	4,681,536	183,626
Prior-year undistributed [2]	4,553,562	256,341	21,668	4,131,396	144,158
Current-year accumulations [3]	853,971	235,279	18,504	560,720	39,468
Undistributed at end of tax year [4]	4,481,374	219,674	24,213	4,089,062	148,425

[1] Taken from Form 5227, Part II, line 22.

[2] Taken from Form 5227, Part II, line 20.

[3] Taken from Form 5227, Part II, line 21.

[4] Taken from Form 5227, Part II, line 23.

NOTES: Detail may not add to totals due to rounding. Additionally, the total accumulations for capital gains (losses) may be skewed due to netting short- and long-term values together.

Figure G

Charitable Remainder Annuity Trusts: Distributions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	All	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
		(2)	(3)	(4)
Number of returns	21,296	17,480	3,417	399
Total distributions [2]	1,232,106	661,287	307,810	263,009
Ordinary income [3]	272,509	98,710	90,792	83,007
Short-term capital gains [4]	29,389	12,185	8,036	9,168
Long-term capital gains [5]	565,694	292,400	142,526	130,767
Nontaxable income [6]	34,056	10,436	14,715	8,905
Corpus [7]	330,457	247,555	51,741	31,161

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often these zero amounts are explained by trusts filing a final return.

[2] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[3] Reported on Form 5227, Part III, column (a).

[4] Reported on Form 5227, Part III, column (b).

[5] Reported on Form 5227, Part III, column (c).

[6] Reported on Form 5227, Part III, column (d).

[7] Reported on Form 5227, Part III, column (e).

NOTE: Detail may not add to totals due to rounding.

ordinary income increased as a percentage of distributions as size of CRATs increased.

Overall, distributions from CRATs increased by 22.9 percent from Filing Year 2005 to Filing Year 2006. One source of year-to-year variation in aggregate estimates is a change in the CRAT population due to the creation or termination of trusts. Figure H presents the 2005 and 2006 Filing Year data for CRATs that did not begin or terminate during the

year. In contrast with the population, distributions for ongoing trusts decreased by 5.4 percent between 2005 and 2006.

Figure I shows the allocation of distributions among basic beneficiary types. Trust grantors received the largest percentage of total distributions, 47.8 percent or \$589.3 million. Charitable beneficiaries received 26.3 percent of all reported distributions. Noncharitable entities and nongrantor individ-

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure H

Charitable Remainder Annuity Trusts: Distributions, Filing Years 2005 and 2006

[Money amounts are in thousands of dollars]

Item	All returns			Ongoing returns [1]		
	2005	2006	Percent change	2005	2006	Percent change
	(1)	(2)	(3)	(4)	(5)	(6)
Total distributions [2]	1,002,261	1,232,106	22.9	790,468	747,930	-5.4
Ordinary income [3]	227,475	272,509	19.8	206,343	208,577	1.1
Short-term capital gains [4]	28,789	29,389	2.1	24,541	20,469	-16.6
Long-term capital gains [5]	433,026	565,694	30.6	387,686	356,736	-8.0
Nontaxable income [6]	33,414	34,056	1.9	31,375	32,073	2.2
Corpus [7]	279,556	330,457	18.2	140,523	130,074	-7.4

[1] This category includes only returns that did not make initial or final distributions during the filing year.

[2] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[3] Reported on Form 5227, Part III, column (a).

[4] Reported on Form 5227, Part III, column (b).

[5] Reported on Form 5227, Part III, column (c).

[6] Reported on Form 5227, Part III, column (d).

[7] Reported on Form 5227, Part III, column (e).

NOTE: Detail may not add to totals due to rounding.

Figure I

Charitable Remainder Annuity Trusts: Distributions, by Beneficiary and Income Type, Filing Year 2006

[Money amounts are in thousands of dollars]

Beneficiary type	Total distributions [1]	Ordinary income [2]	Short-term capital gains [3]	Long-term capital gains [4]	Nontaxable income [5]	Corpus [6]
	(1)	(2)	(3)	(4)	(5)	(6)
All beneficiary types	1,232,106	272,509	29,389	565,694	34,056	330,457
Grantor	589,314	162,358	18,054	282,115	21,503	105,284
Other individual	149,545	45,142	3,691	61,633	10,676	28,403
Charity	323,934	57,984	7,320	156,811	* 1,259	100,559
Noncharitable entity	169,313	7,026	* 323	65,135	* 618	96,212

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[2] Reported on Form 5227, Part III, column (a).

[3] Reported on Form 5227, Part III, column (b).

[4] Reported on Form 5227, Part III, column (c).

[5] Reported on Form 5227, Part III, column (d).

[6] Reported on Form 5227, Part III, column (e).

NOTE: Detail may not add to totals due to rounding.

uals were the recipients of only 13.7 percent and 12.1 percent of distributions for Filing Year 2006, respectively. Corpus distributions made up the majority, or 56.8 percent, of distributions to noncharitable entities. Long-term capital gains made up the largest percentage of distributions to all other beneficiary types.

Approximately \$9.0 billion in assets were reported for charitable remainder annuity trusts in Filing Year 2006 (Figure J). The allocation of assets in the investment portfolios of trusts filing in 2006 mirrors

that in 2005. Investments comprised the largest portion of assets, more than \$7.8 billion, or 86.7 percent of the total. Corporate stock made up 50.6 percent of the total investments reported and comprised the largest portion of the investment portfolio for all sizes of CRATs. Investments in land, buildings, and equipment comprised the smallest portion of the investment portfolio. Figure J also shows that \$166.2 million in liabilities were reported for CRATs in Filing Year 2006, an increase of 15.2 percent from 2005.

Figure J

Charitable Remainder Annuity Trusts: Investment Allocations, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total		Size of end-of-year book value of total assets					
			Under \$500,000 [1]		\$500,000 under \$3,000,000		\$3,000,000 or more	
	Amount	Percent of total investments	Amount	Percent of total investments	Amount	Percent of total investments	Amount	Percent of total investments
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total book value of assets at end of year	9,041,175	N/A	1,910,724	N/A	3,629,955	N/A	3,500,496	N/A
Total investments	7,834,583	100.0	1,666,546	100.0	3,176,497	100.0	2,991,540	100.0
U.S. and State government obligations [2]	1,460,344	18.6	231,652	13.9	683,500	21.5	545,192	18.2
Corporate stock [3]	3,960,596	50.6	903,241	54.2	1,545,671	48.7	1,511,684	50.5
Corporate bonds [4]	1,224,705	15.6	251,110	15.1	533,294	16.8	440,302	14.7
Land, buildings, and equipment [5]	83,696	1.1	19,824	1.2	28,286	0.9	35,587	1.2
Other investments [6]	1,105,241	14.1	260,720	15.6	385,746	12.1	458,775	15.3
Total book value of liabilities at end of year	166,179	N/A	46,287	N/A	91,064	N/A	28,829	N/A

N/A—Not applicable.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 32a, column (b).

[3] Taken from Form 5227, Part IV, line 32b, column (b).

[4] Taken from Form 5227, Part IV, line 32c, column (b).

[5] Taken from Form 5227, Part IV, line 33, column (b).

[6] Taken from Form 5227, Part IV, line 34, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Charitable Remainder Unitrusts

The number of Forms 5227 filed for charitable remainder unitrusts in 2006 was 94,767, virtually unchanged from 2005. As in 2005, the majority of returns filed in 2006 were for small CRUTs with less than \$500,000 in end-of-year book value of assets. In Filing Year 2006, about \$9.1 billion in total net income were reported for charitable remainder unitrusts (Figure K). Net long-term capital gains comprised the largest portion of the income, with \$6.6 billion reported, and increase of 20.1 percent from Filing Year 2005. Nontaxable income made up the smallest portion of income for all categories of CRUTs, accounting for only 1.0 percent of total income for all CRUTs.

Returns filed for charitable remainder unitrusts in 2006 reported \$60.9 billion in total accumulations, an increase of only 2.2 percent over Filing Year 2005 (Figure L). Total accumulations included \$51.7 billion in prior-year undistributed income. Undistributed income at the end of the tax year reported for CRUTs totaled \$55.3 billion in 2006, a slight increase from Filing Year 2005.

Charitable remainder unitrust distributions are shown in Figure M. During Filing Year 2006, nearly \$6.0 billion in distributions were reported. Of this, large CRUTs, which made up just 3.7 percent of all CRUTs in 2006, accounted for \$2.6 billion or 43.2 percent of total distributions that year, an increase from 2005 filings. In contrast, small CRUTs, which made up 70.0 percent of the CRUT filing population in 2006, reported distributions making up 23.4 percent of the total. The dollar value of distributions reported for small CRUTs decreased by 34.0 percent, from \$2.1 billion in 2005 to \$1.4 billion in 2006. Long-term capital gains remained the largest source of all distributions, accounting for 51.1 percent of all distributions made by charitable remainder unitrusts. Reported distributions from short-term capital gains increased by 48.6 percent, from \$342.6 million in Filing Year 2005 to \$509.2 million in Filing Year 2006. Nontaxable income contributed the smallest share to distributions for all CRUTs that filed in 2006, making up only 0.7 percent of total distributions.

Overall distributions from CRUTs decreased by 6.0 percent between 2005 and 2006. Figure N

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure K

Charitable Remainder Unitrusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
	(1)	(2)	(3)	(4)
Number of returns	94,767	66,187	25,090	3,489
Total net income [2]	9,137,976	951,868	2,493,192	5,692,916
Net ordinary income [3]	2,190,193	317,518	674,358	1,198,317
Total ordinary income	2,683,840	419,189	852,292	1,412,359
Deductions allocable to ordinary income	493,645	101,670	177,934	214,042
Net short-term capital gains or (losses) [4]	269,222	33,639	77,242	158,341
Net long-term capital gains or (losses) [5]	6,590,653	589,059	1,708,597	4,292,996
Nontaxable income [6]	87,908	11,651	32,994	43,263

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero.

Often, these zero amounts are explained by trusts filing a final return.

[2] Calculated as the sum of "ordinary income less deductions" (Form 5227, Part I, line 13), "net short-term capital gains (losses)" (line 16), "net long-term capital gains (losses)" (line 19), and "current tax year nontaxable income" (Part II, line 21 (d)).

[3] Taken from "ordinary income less deductions" (Form 5227, Part I, line 13). This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part I, line 16.

[5] Taken from Form 5227, Part I, line 19.

[6] Taken from Form 5227, Part II, line 21(d).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Figure L

Charitable Remainder Unitrusts: Accumulation Information, by Type of Income, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total	Type of income			
		Net ordinary income	Capital gains (losses)		Nontaxable income
			Net short-term	Net long-term	
	(1)	(2)	(3)	(4)	(5)
Total accumulations [1]	60,870,765	5,222,659	1,846,745	53,374,126	427,234
Prior-year undistributed [2]	51,732,788	3,032,466	1,402,833	46,958,163	339,325
Current-year accumulations [3]	9,137,976	2,190,193	269,222	6,590,653	87,908
Undistributed at end of tax year [4]	55,253,576	3,404,240	1,347,569	50,119,516	382,250

[1] Taken from Form 5227, Part II, line 22.

[2] Taken from Form 5227, Part II, line 20.

[3] Taken from Form 5227, Part II, line 21.

[4] Taken from Form 5227, Part II, line 23.

NOTES: Detail may not add to totals due to rounding. Additionally, the total accumulations for capital gains (losses) may be skewed due to netting short- and long-term values together.

presents distribution data for ongoing CRUTs. These data show that distributions increased by 9.8 percent between the 2 years for ongoing trusts, which starkly contrasts the overall change. Figure O presents the allocation of distributions reported for charitable remainder unitrusts in 2006 among basic beneficiary types. Grantors received \$4.4 billion, or 73.2 percent of distributions reported for charitable remainder

unitrusts in 2006. The second most common beneficiary type was nongrantor individuals, who received \$940.7 million in distributions. Noncharitable entities were the least common beneficiary of CRUTs, receiving 3.8 percent of all distributions.

Charitable remainder unitrust returns filed in 2006 reported \$81.1 billion for end-of-year book value of assets (Figure P). Approximately 88.4 per-

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure M

Charitable Remainder Unitrusts: Distributions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	All	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
	(1)	(2)	(3)	(4)
Number of returns	94,767	66,187	25,090	3,489
Total distributions [2]	5,978,298	1,399,891	1,998,663	2,579,744
Ordinary income [3]	1,829,156	341,779	646,733	840,644
Short-term capital gains [4]	509,175	40,103	105,171	363,900
Long-term capital gains [5]	3,052,897	714,423	1,067,428	1,271,047
Nontaxable income [6]	41,725	10,987	18,059	12,678
Corpus [7]	545,345	292,599	161,273	91,474

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[3] Reported on Form 5227, Part III, column (a).

[4] Reported on Form 5227, Part III, column (b).

[5] Reported on Form 5227, Part III, column (c).

[6] Reported on Form 5227, Part III, column (d).

[7] Reported on Form 5227, Part III, column (e).

NOTE: Detail may not add to totals due to rounding.

Figure N

Charitable Remainder Unitrusts: Distributions, Filing Years 2005 and 2006

[Money amounts are in thousands of dollars]

Item	All returns			Ongoing returns [1]		
	2005	2006	Percent change	2005	2006	Percent change
	(1)	(2)	(3)	(4)	(5)	(6)
Total distributions [2]	6,358,763	5,978,298	-6.0	5,005,945	5,497,046	9.8
Ordinary income [3]	1,706,843	1,829,156	7.2	1,668,673	1,790,616	7.3
Short-term capital gains [4]	342,579	509,175	48.6	336,840	497,745	47.8
Long-term capital gains [5]	3,706,584	3,052,897	-17.6	2,621,214	2,823,939	7.7
Nontaxable income [6]	44,359	41,725	-5.9	38,352	37,470	-2.3
Corpus [7]	558,398	545,345	-2.3	340,866	347,276	1.9

[1] This category includes only returns that did not make initial or final distributions during the filing year.

[2] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[3] Reported on Form 5227, Part III, column (a).

[4] Reported on Form 5227, Part III, column (b).

[5] Reported on Form 5227, Part III, column (c).

[6] Reported on Form 5227, Part III, column (d).

[7] Reported on Form 5227, Part III, column (e).

NOTE: Detail may not add to totals due to rounding.

cent of the asset value was made up of investments, reported to be \$71.7 billion. As in prior years, corporate stock, a reported \$37.6 billion, comprised the majority of the investment portfolio of CRUTs in 2006. The second most common component of the 2006 Filing Year portfolio was other investments, which include partnerships, annuities, and bonds

issued by foreign governments. Real estate investments were the smallest component of investments for CRUTs of all sizes. Overall, CRUT returns reported \$1.2 billion in liabilities during the filing year.

In Filing Year 2006, some 2,236, or 2.4 percent of all CRUTs, reported \$791.9 million in additional contributions (Figure Q). This is a decrease from

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure O

Charitable Remainder Unitrusts: Distributions, by Beneficiary and Income Type, Filing Year 2006

[Money amounts are in thousands of dollars]

Beneficiary type	Total distributions [1]	Ordinary income [2]	Short-term capital gains [3]	Long-term capital gains [4]	Nontaxable income [5]	Corpus [6]
	(1)	(2)	(3)	(4)	(5)	(6)
All beneficiary types	5,978,298	1,829,156	509,175	3,052,897	41,725	545,345
Grantor	4,375,138	1,346,541	388,341	2,342,134	27,073	271,049
Other individual	940,653	363,059	54,966	404,920	11,276	106,432
Charity	433,364	58,450	1,478	227,153	3,235	143,048
Noncharitable entity	229,143	61,106	64,390	78,691	* 140	24,816

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[2] Reported on Form 5227, Part III, column (a).

[3] Reported on Form 5227, Part III, column (b).

[4] Reported on Form 5227, Part III, column (c).

[5] Reported on Form 5227, Part III, column (d).

[6] Reported on Form 5227, Part III, column (e).

NOTE: Detail may not add to totals due to rounding.

Figure P

Charitable Remainder Unitrusts: Investment Allocations, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total		Size of end-of-year book value of total assets					
			Under \$500,000 [1]		\$500,000 under \$3,000,000		\$3,000,000 or more	
	Amount	Percent of total investments	Amount	Percent of total investments	Amount	Percent of total investments	Amount	Percent of total investments
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total book value of assets at end of year	81,121,949	N/A	12,048,950	N/A	26,716,472	N/A	42,356,527	N/A
Total investments	71,700,498	100.0	10,370,099	100.0	23,436,091	100.0	37,894,308	100.0
U.S. and State government obligations [2]	4,840,546	6.8	535,161	5.2	1,720,481	7.3	2,584,905	6.8
Corporate stock [3]	37,616,254	52.5	6,646,864	64.1	14,948,250	63.8	16,021,140	42.3
Corporate bonds [4]	7,729,408	10.8	1,498,396	14.4	3,043,050	13.0	3,187,962	8.4
Land, buildings, and equipment [5]	749,432	1.0	74,364	0.7	273,129	1.2	401,940	1.1
Other investments [6]	20,764,857	29.0	1,615,315	15.6	3,451,181	14.7	15,698,362	41.4
Total book value of liabilities at end of year	1,191,868	N/A	151,973	N/A	376,152	N/A	663,743	N/A

N/A—Not applicable.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero.

Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 32a, column (b).

[3] Taken from Form 5227, Part IV, line 32b, column (b).

[4] Taken from Form 5227, Part IV, line 32c, column (b).

[5] Taken from Form 5227, Part IV, line 33, column (b).

[6] Taken from Form 5227, Part IV, line 34, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Filing Year 2005 when 3,086 returns filed for CRUTs reported additional contributions of \$943.5 million. Because they dominate the population, small CRUTs reported the largest quantity of additional contributions, however large CRUTs were reported to receive

the largest dollar value of additional contributions. As in Filing Year 2005, stocks were the most common type of asset contributed, composing 67.5 percent of all contributions reported in 2006. Contributions of other assets, including insurance, art, and

Figure Q

Charitable Remainder Unitrusts: Additional Contributions, by Type and Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
	(1)	(2)	(3)	(4)
Number of returns	94,767	66,187	25,090	3,489
Number of returns with additional contributions	2,236	1,379	743	114
Total additional contributions [2]	791,892	62,427	257,459	472,007
Cash and money market accounts	97,111	18,252	54,212	24,647
Stocks [3]	534,776	31,701	114,301	388,775
Bonds	* 13,529	** 486	0	** 15,429
Real estate [4]	* 25,734	**	* 23,348	**
Other assets [5]	120,741	11,988	65,598	43,155

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often these zero amounts are explained by trusts filing a final return.

[2] The values for additional contributions are taken from attachments to the Form 5227.

[3] The value of stock includes both publicly traded and closely held stocks.

[4] The value given for real estate includes traditional real estate, as well as real estate mutual funds and partnerships.

[5] Other assets includes such items as retirement assets, annuities, partnerships, insurance assets, and art.

NOTE: Detail may not add to totals due to rounding.

retirement assets, were reported to be \$120.7 million. Additional contributions of bonds were reported to be \$13.5 million, making them the least common asset contributed to CRUTs in 2006.

Charitable Lead Trusts

Trustees filed returns for 6,298 charitable lead trusts in 2006, a 2.1-percent increase from the number filed in 2005. CLT returns filed in 2006 reported \$1.1 billion in distributions (Figure R). Of this total, more than 99.3 percent were required payments for charitable purposes, while only \$7.4 million were required payments to private beneficiaries. Figure R also shows that \$16.5 billion in end-of-year total assets were reported for charitable lead trusts in Filing Year 2006, a nearly \$1.0 billion increase from 2005. Investments made up 88.0 percent, or \$14.5 billion, of total assets. In contrast to 2005, corporate stock was not the largest component of all investments for all sizes of CLTs. The investment portfolios of large CLTs were dominated by other investments in 2006. Land, buildings, and equipment investments made up the smallest share of CLT investments overall. CLTs claimed \$496.5 million in total liabilities.

Pooled Income Funds

The number of Forms 5227 filed for pooled income funds remained stable from 2005 to 2006, increasing by only one return. In Filing Year 2006, PIFs reported distributions of \$121.8 million, a decrease of 4.3 percent from 2005 (Figure S). The majority of distributions were distributions to private beneficiaries, reported to be \$58.2 million in Filing Year 2006. Of the \$1.6 billion in end-of-year total assets reported for PIFs, \$1.4 billion, or 89.8 percent, were investments. Overall, as in 2005, corporate bonds made up the largest portion of investments reported for PIFs, \$471.6 million in 2006. However, for both large and small pooled income funds, corporate stock was the largest component of reported investments. Pooled income funds claimed \$115.8 million in liabilities for Filing Year 2006.

Summary

Overall, split-interest trust filing statistics stabilized between Filing Years 2005 and 2006. The number of Forms 5227 filed in 2006 was only 0.2 percent less than the number filed in 2005. End-of-year book value of assets increased by 1.6 percent, and investments increased by 3.1 percent. In 2006, the

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure R

Charitable Lead Trusts: Distributions and Investment Allocations, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
	(1)	(2)	(3)	(4)
Number of returns	6,298	2,724	2,741	833
Total distributions [2]	1,058,070	83,047	257,846	717,177
Required payments for charitable purposes	1,050,716	** 83,047	** 257,846	712,904
Required payments to private beneficiaries	* 7,353	**	**	* 4,273
Total book value of assets at end of year	16,485,658	541,074	3,344,923	12,599,661
Total investments [3]	14,509,019	463,618	2,996,800	11,048,601
U.S. and State government obligations [4]	650,227	53,894	180,839	415,494
Corporate stock [5]	6,756,726	288,666	1,793,983	4,674,077
Corporate bonds [6]	712,678	25,211	204,639	482,828
Land, buildings, and equipment [7]	143,111	** 95,847	** 817,339	94,301
Other investments [8]	6,246,277	**	**	5,381,902
Total book value of liabilities at end of year	496,529	22,329	88,279	385,922

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] "Total distributions" are calculated as the sum of "excess income required to be paid for charitable purposes" (line 2), "annuity or unitrust payment required to be paid to charitable beneficiaries" (line 3), and "annuity or unitrust payments required to be paid to private beneficiaries" (line 4) from Form 5227, Part VII, Section A, the Questionnaire for Charitable

[3] Investments are reported as a portion of assets on Form 5227, Part IV, column (b).

[4] Taken from Form 5227, Part IV, line 32a, column (b).

[5] Taken from Form 5227, Part IV, line 32b, column (b).

[6] Taken from Form 5227, Part IV, line 32c, column (b).

[7] Taken from Form 5227, Part IV, line 33, column (b).

[8] Taken from Form 5227, Part IV, line 34, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

reported end-of-year book value of liabilities was 4.7 percent larger than the amount reported in 2005. In many ways, these are the most stable Forms 5227 filing statistics in recent years. Between Filing Years 2004 and 2005, total net income reported increased by 67.4 percent. End-of-year book value of assets increased by 5.7 percent between 2004 and 2005. The lack of striking change between Filing Years 2005 and 2006 may be attributed, in part, to an absence of new tax law revisions affecting split-interest trusts.

By trust type, however, some substantive change can be observed. In 2006, distributions reported for charitable remainder annuity trusts were 22.9 percent higher than those reported for Filing Year 2005. The value of additional contributions reported on returns for charitable remainder unitrusts fell 16.1 percent from 2005 to 2006. The end-of-year book value of liabilities reported for charitable lead trusts increased 24.4 percent between Filing Years 2005 and 2006.

Data Sources and Limitations

The data presented in this article were collected from a sample of Forms 5227, *Split-Interest Trust Information Returns*, from Filing Year 2006. A filing year includes returns received by IRS for processing between January 1 and December 31 of a given year. A filing year file is primarily comprised of returns for the tax year immediately prior, however it may include late-filed returns for numerous other tax years. For Filing Year 2006, approximately 98.2 percent of returns included in the sample were for Tax Year 2005, while Tax Year 2004 returns comprised 1.4 percent of the sampled returns. Partial year returns, for either initial or final reporting periods, were included in the SOI sample. All returns included in the sample were computer-designated at the IRS Ogden Submission Processing Center after posting to the IRS Master File.

For Filing Year 2006, a sample of 12,467 returns was drawn from an estimated population of 124,632

Figure S

Pooled Income Funds: Distributions and Investment Allocations, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[Money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
	(1)	(2)	(3)	(4)
Number of returns	1,676	1,345	221	110
Total distributions [2]	121,847	14,309	18,578	88,960
Amount required to be distributed to satisfy remainder interest [3]	69,353	11,874	8,945	48,533
Amount required to be distributed to private beneficiaries [4]	58,161	4,842	10,087	43,232
Amount required to be distributed to charitable remainder beneficiary [5]	731	313	152	266
Less: Undistributed required payments for charitable purposes [4]	6,398	* 2,720	* 606	* 3,072
Total book value of assets at end of year	1,599,610	149,525	270,824	1,179,260
Total investments [7]	1,437,245	108,784	237,170	1,091,291
U.S. and State government obligations [8]	231,772	13,030	29,588	189,154
Corporate stock [9]	460,045	36,097	59,194	364,753
Corporate bonds [10]	471,621	35,561	128,032	308,028
Other investments [11]	273,807	24,095	20,356	229,356
Total book value of liabilities at end of year	115,837	* 393	* 855	114,589

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Distributions were calculated as the "amount required to be distributed to satisfy the remainder interest" (Form 5227, Part VII, Section B, line 2), plus the "amount of income required to be paid to the private beneficiaries" (line 4), plus the "amount of income required to be paid to the charitable remainder beneficiary" (line 5), less the "amounts that were required to be distributed to the remainder beneficiary that remain undistributed" (line 3).

[3] Taken from Form 5227, Part VII, Section B, line 2.

[4] Taken from Form 5227, Part VII, Section B, line 4.

[5] Taken from Form 5227, Part VII, Section B, line 5.

[6] Taken from Form 5227, Part VII, Section B, line 3.

[7] Investments are reported as a portion of assets on Form 5227, Part IV, column (b).

[8] Taken from Form 5227, Part IV, line 32a, column (b).

[9] Taken from Form 5227, Part IV, line 32b, column (b).

[10] Taken from Form 5227, Part IV, line 32c, column (b).

[11] Other investments includes values taken from Form 5227, Part IV, line 33, column (b), as well as values from line 34, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

trusts that filed Form 5227. The sample size excludes returns that were selected for the sample but later rejected. Returns could be rejected if they were not one of the four types of trusts included in the study or if no money amounts were reported. The sample was stratified by the type of the trust (charitable remainder annuity trust, charitable remainder unitrust, charitable lead trust, or pooled income fund) and the reported book value of end-of-year total assets. The asset strata were: total assets of less than \$1.0 million, \$1.0 million to less than \$10.0 million, and more than \$10.0 million. Beginning in Filing Year 2006, the sample no longer includes a fourth asset category that included all trusts that reported end-of-year book value of total assets as less than \$10.0 million, but reported end-of-year fair market value of total assets in excess of \$50.0 million. In total, there are 12 strata. There were 21,333 chari-

table remainder annuity trusts, which were sampled at rates ranging from 6.2 percent (for the smallest) to 100.0 percent (for the largest), resulting in a sample of 2,088 returns. There were 95,291 charitable remainder unitrusts, sampled at rates from 4.9 percent to 100.0 percent, creating a sample of 9,532 returns. There were 6,332 charitable lead trusts, from which a sample of 661 was drawn. Lead trusts were sampled at rates ranging from 3.3 percent to 100.0 percent. There were 1,676 pooled income funds, of which 1,869 were included in the sample. Pooled income funds had sample rates from 4.8 percent to 100.0 percent. The magnitude of sampling error for selected items, measured by coefficients of variation, is shown in Figure T.

All samples were designed to provide reliable estimates of financial activity. All data were collected from original returns as they were filed. All

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Figure T

Coefficients of Variation for Selected Items, by Type of Split-Interest Trust and Size of End-of-Year Book Value of Total Assets, Filing Year 2006

Item	Total	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3,000,000	\$3,000,000 or more
	Coefficient of variation (percentage)			
	(1)	(2)	(3)	(4)
Charitable remainder annuity trusts				
Number of returns	0.57	1.18	5.03	4.07
Net ordinary income [2]	3.53	7.19	7.79	3.25
Net short-term capital gains or (losses) [3]	12.80	32.61	22.79	11.44
Net long-term capital gains or (losses) [4]	6.55	14.42	12.57	8.85
End-of-year total assets (book value) [5]	1.70	3.47	3.95	2.44
End-of-year total liabilities (book value) [7]	20.97	23.13	36.17	15.31
Charitable remainder unitrusts				
Number of returns	0.15	0.76	1.96	1.73
Net ordinary income [2]	1.14	4.95	2.49	1.07
Net short-term capital gains or (losses) [3]	5.15	15.97	10.42	6.30
Net long-term capital gains or (losses) [4]	1.61	7.15	4.25	1.60
End-of-year total assets (book value) [5]	0.49	1.47	1.39	0.77
End-of-year total assets (fair market value) [6]	0.55	1.89	1.51	0.75
End-of-year total liabilities (book value) [7]	4.19	12.16	7.78	5.47
Charitable lead trusts				
Number of returns	0.91	6.19	6.30	5.84
End-of-year total assets (book value) [5]	1.43	10.33	4.75	2.23
End-of-year total liabilities (book value) [7]	8.77	41.49	28.01	9.10
Required payments to private beneficiaries [8]	34.26	98.31	79.59	22.99
Required payments for charitable purposes [9]	3.83	23.59	10.27	4.05
Pooled income funds				
Number of returns	2.33	2.93	18.28	8.05
End-of-year total assets (book value) [5]	2.83	11.65	10.50	4.18
End-of-year total liabilities (book value) [7]	0.91	49.84	49.83	0.83
Required payment to private beneficiaries [8]	3.79	16.01	13.02	4.92

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part I, line 13.

[3] Taken from Form 5227, Part I, line 16.

[4] Taken from Form 5227, Part I, line 19.

[5] Taken from Form 5227, Part IV, line 37, column (b).

[6] For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

[7] Taken from Form 5227, Part IV, line 43, column (b).

[8] In the case of charitable lead trusts, this value is based on the amount on Form 5227, Part VII, Section A, line 4. In the case of pooled income funds, this value is based on the amount on Form 5227, Part VII, Section B, line 4.

[9] Taken from Form 5227, Part VII, Section A, line 3.

edited returns were subjected to comprehensive testing and data verification procedures to ensure the highest quality of data. Changes that were made to the return after filing, either by the taxpayer (on an amended return) or during IRS processing, were not generally incorporated. A complete discussion of the reliability of estimates based on samples, methods for evaluating the magnitude for both sampling and nonsampling error, and the precision of the sample estimates can be found in the Appendix in this issue of the *SOI Bulletin*.

Explanation of Selected Terms

Annuity trust—An annuity trust is a trust in which the payments for the duration of the trust, either to a private or charitable beneficiary, are of a fixed amount. In the context of this article, an annuity trust can be either a charitable remainder trust (with a private income beneficiary) or charitable lead trust (with a charitable income beneficiary). The payment amount is determined by multiplying a specified percentage by the fair market value of the assets initially placed in the trust.

Beneficiary(ies)—Beneficiary(ies) refers to the person, persons, or organization that receives payments or assets from a trust. Recipient is used interchangeably with beneficiary. Beneficiaries can be either charitable or noncharitable (private), and can be either an income beneficiary or a remainder beneficiary.

Book value—Book value is generally the cost basis of an asset, or the price at which an asset is acquired. All trusts must report the beginning- and end-of-year book value of their assets on Part IV, Balance Sheet, Columns A and B, of Form 5227. All book value amounts referred to in this article are end-of-year book value amounts.

Charitable lead trust (CLT)—Charitable lead trusts are split-interest trusts in which a designated charitable organization receives an income stream from the assets in trust; one or more private beneficiaries receive the remainder interest of the trust. Charitable lead trusts can be classified as either grantor or nongrantor lead trusts, and payments can be made on an annuity basis or a unitrust basis.

Charitable remainder annuity trust (CRAT)—A charitable remainder annuity trust is a charitable remainder trust in which the income payments to the private beneficiary are fixed. The payment amount is calculated by multiplying the designated percentage by the fair market value of the assets initially placed in the trust.

Charitable remainder trust (CRT)—Charitable remainder trusts are split-interest trusts in which a private, or noncharitable beneficiary receives a stream of income for the duration of the trust, and a designated charity receives the remainder interest of the trust. Charitable remainder trusts can be either annuity trusts or unitrusts, depending on the method used to calculate the payment amounts. Further, unitrusts can be of the net income or net income with makeup variety.

Charitable remainder unitrust (CRUT)—A charitable remainder unitrust is a charitable remainder trust in which the income payments to the private beneficiary fluctuate with the annual value of the assets in the trust. The payment amount is calculated by multiplying the designated percentage by the fair market value of the assets as they are valued each year. Unitrusts can have net income or net income with makeup provisions.

Charity or charitable organization—A charity, or charitable organization, refers to a tax-exempt

organization with purposes that are charitable, educational, scientific, literary, or religious in nature, or that otherwise qualifies as a 501(c) (3) organization.

Donor—A donor, also referred to as a grantor or contributor, is the individual who transfers personal assets into the trust or fund.

Fair market value—Fair market value is defined, for the purposes of this article, as the market price of the asset (or liability) as of a certain point in time. The fair market value of assets and liabilities is reported by charitable remainder unitrusts in Part IV, Balance Sheet, Column C, of Form 5227.

Grantor charitable lead trust—Charitable grantor lead trusts name the donor (grantor) as the remainder beneficiary. In establishing a grantor lead trust, the donor is entitled to an income tax deduction for the year in which the trust was created, but he or she must also pay taxes on the income generated by the trust's assets. The income generated is paid to a designated charitable beneficiary.

Income beneficiary—The income beneficiary of a split-interest trust is the recipient of the stream of payments made over the duration of the trust. The income beneficiary of charitable remainder trusts and pooled income funds is the private (noncharitable) beneficiary; in charitable lead trusts, the income beneficiary is the designated charitable organization.

Income interest—Income interest refers to the right to receive payments made to beneficiaries during the life of the trust. Income interest is paid to the income beneficiary.

Investments—Investments refer to the sum of "Government obligations" (line 32a); "corporate stock" (line 32b); "corporate bonds" (line 32c); "land, buildings, and equipment that is not held for charitable purposes" (line 33); and "other investments" (line 34) reported on Form 5227.

Net income charitable remainder unitrust (NICRUT)—Net income charitable remainder unitrusts are charitable remainder unitrusts that allow the annual payment to the private beneficiary to be the lesser of either the unitrust amount or the trust's net income.

Net income with makeup charitable remainder unitrusts (NIM-CRUT)—Net income with makeup charitable remainder unitrusts are charitable remainder unitrusts that allow the annual payment to the private beneficiary to be the lesser of either the unitrust amount or the trust's net income. Deficiencies in the distributions, which occur when the net income is

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

less than the unitrust payment amount, are then made up in subsequent years when the net income of the trust is greater than the unitrust amount.

Nongrantor charitable lead trust—Charitable nongrantor lead trusts name as the remainder beneficiary a recipient other than the grantor (donor). Usually, the remainder beneficiary is a child or grandchild of the grantor.

Ordinary income—Ordinary income is income from the following sources: interest; dividends; business income; rents, royalties, partnerships, and other estates and trusts; farm income; ordinary gain; and “other income.” Ordinary income is reported in Part I, Ordinary Income, of Form 5227.

Pooled income fund (PIF)—A pooled income fund is a fund established and maintained by a charity to invest and manage assets donated by multiple donors. Income from the assets is distributed annually on a prorated basis to the named beneficiaries. Upon the termination of an income interest, due to the death of one of the beneficiaries, a prorated part of the basis of the fund is removed and given to the charity.

Remainder beneficiary—The remainder beneficiary of a split-interest trust is the recipient of the trust’s assets at the conclusion of the trust. In the case of charitable remainder trusts, the remainder beneficiary is the selected charity; in charitable lead trusts, the remainder beneficiary is the designated private beneficiary.

Remainder interest—The remainder interest of a trust is the right to receive assets remaining at the conclusion of the trust, after all liabilities have been settled and prior payments to beneficiaries have been made. This interest is then distributed to the remainder beneficiary.

Securities—Securities refer to the sum of “Government obligations” (line 32a); “corporate stock” (line 32b); and “corporate bonds” (line 32c) reported on Form 5227.

Short-term investments—Short-term investments are securities that mature in 1 year or less. Treasury bills and short-term corporate notes are common examples of a short-term investment.

Split-interest trust—A split-interest trust, according to the 2006 Instructions for Form 5227, is a trust that “is not exempt from tax under Internal Revenue Code section 501(a); has some unexpired interests that are devoted to purposes other than religious, charitable, or similar purposes described in Code section 170(c)(2)(B); and has amounts transferred in trust after May 26, 1969, for which a deduction was allowed under one of the Code sections listed in section 4947(a)(2).”

Trust—A trust is a legal arrangement between its creator (donor or grantor), the manager of the trust (trustee), and the beneficiary or beneficiaries of the trust. Trusts are legal entities in their own right, and can be responsible for any tax liabilities separate from the liabilities of the grantor and beneficiary. The conditions and provisions of a trust are defined in the trust document.

Unitrust—A unitrust is a trust in which the income interest, paid either to a private or charitable beneficiary, varies with the annual fair market value of the total assets of the trust in a given year. In the context of this article, a unitrust can be either of the charitable remainder trust (with income payments to a private beneficiary) or charitable lead trust (with income payments to a charitable beneficiary) variety. The payment amount is determined by multiplying a specified percentage by the fair market value of the assets of the trust as they are valued annually.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 1. Charitable Remainder Annuity Trusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets					
		Zero or not reported	\$1 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	21,296	1,115	16,365	2,123	1,294	316	83
Total net income [1]	853,971	30,757	128,113	143,689	174,354	172,194	204,863
Net ordinary income [2]	235,279	4,884	48,739	40,801	51,478	36,990	52,386
Total ordinary income [3]	289,283	7,040	63,481	50,041	63,659	45,188	59,873
Interest income	106,116	3,431	21,369	14,505	23,731	16,932	26,147
Dividends and business income (loss)	148,395	3,527	33,717	25,610	31,004	22,762	31,774
Other income [4]	34,771	* 82	8,394	9,926	8,924	5,494	1,952
Total deductions [5]	54,003	2,156	14,742	9,240	12,181	8,197	7,487
Interest	813	0	* 404	** 47	244	* 148	** 34
Taxes	305	[10]	20	**	153	68	**
Other deductions	52,885	2,156	14,318	9,193	11,784	7,981	7,453
Net short-term capital gains or (losses) [6]	18,504	3,126	2,260	2,821	3,237	1,517	5,544
Total short-term capital gains or (losses)	19,440	3,298	2,573	2,874	3,447	1,679	5,569
Deductions allocable to short-term capital gains or (losses)	936	173	313	53	210	162	* 25
Net long-term capital gains or (losses) [7]	560,720	21,913	69,185	91,807	109,847	124,481	143,487
Total long-term capital gains or (losses) [8]	567,676	22,380	71,342	92,935	111,339	125,312	144,368
Deductions allocable to long-term capital gains or (losses)	6,955	466	2,157	1,127	1,492	831	881
Nontaxable income [9]	39,468	834	7,929	8,259	9,793	9,206	3,446

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Calculated as the sum of "net ordinary income" (Form 5227, Part I, line 13), "net short-term capital gains (losses)" (line 16), "net long-term capital gains (losses)" (line 19), and "current tax year nontaxable income" (Part II, line 21(d)).

[2] Taken from "net ordinary income" (Form 5227, Part I, line 13). This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer discrepancies.

[3] Taken from Form 5227, Part I, line 8.

[4] Calculated as the sum of "rents, royalties, partnerships, other estates, and trusts" (Form 5227, Part I, line 4), "farm income or loss" (line 5), "ordinary gain or loss" (line 6), and "other income" (line 7).

[5] Taken from Form 5227, Part I, line 12.

[6] Taken from Form 5227, Part I, line 16.

[7] Taken from Form 5227, Part I, line 19.

[8] Taken from Form 5227, Part I, line 17a.

[9] Taken from Form 5227, Part II, line 21(column d).

[10] Amount less than \$500.

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 2. Charitable Remainder Annuity Trusts: Accumulation Information, by Size of End-of-Year Book Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	All	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	21,296	17,480	2,123	1,294	316	83
Total accumulations [2]	5,407,534	1,167,431	759,598	1,069,130	985,132	1,426,242
Net ordinary income	491,620	128,893	60,411	92,863	122,682	86,771
Net short-term capital gains (losses)	50,752	12,213	9,037	11,036	6,315	12,152
Net long-term capital gains (losses)	4,681,536	991,320	659,491	914,546	803,372	1,312,806
Nontaxable income	183,626	35,005	30,659	50,686	52,763	14,513
Prior-year undistributed income [3]	4,553,562	1,008,561	615,909	894,776	812,937	1,221,379
Net ordinary income	256,341	75,270	19,609	41,385	85,691	34,385
Net short-term capital gains (losses)	21,668	5,624	4,745	3,219	2,757	5,323
Net long-term capital gains (losses)	4,131,396	901,424	569,155	809,279	680,932	1,170,605
Nontaxable income	144,158	26,242	22,400	40,893	43,557	11,066
Current-year net income [4]	853,971	158,870	143,689	174,354	172,194	204,863
Net ordinary income	235,279	53,623	40,801	51,478	36,990	52,386
Net short-term capital gains (losses)	18,504	5,385	2,821	3,237	1,517	5,544
Net long-term capital gains (losses)	560,720	91,099	91,807	109,847	124,481	143,487
Nontaxable income	39,468	8,763	8,259	9,793	9,206	3,446
Undistributed at end of year [5]	4,481,374	735,850	652,204	919,403	889,367	1,284,550
Net ordinary income	219,674	30,165	26,744	36,423	88,666	37,675
Net short-term capital gains (losses)	24,213	-376	5,658	6,686	2,643	9,603
Net long-term capital gains (losses)	4,089,062	681,764	596,381	834,032	751,922	1,224,963
Nontaxable income	148,425	24,297	23,421	42,262	46,136	12,309

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part II, line 22.

[3] Taken from Form 5227, Part II, line 20.

[4] Taken from Form 5227, Part II, line 21.

[5] Taken from Form 5227, Part II, line 23.

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 3. Charitable Remainder Annuity Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	21,296	17,480	2,123	1,294	316	83
Total net assets [2]	8,874,996	1,864,437	1,521,346	2,017,545	1,526,599	1,945,068
Total liabilities and net assets [3]	9,041,175	1,910,724	1,528,516	2,101,439	1,543,408	1,957,087
Total assets [4]	9,041,175	1,910,724	1,528,516	2,101,439	1,543,408	1,957,087
Cash	138,244	45,445	26,517	32,801	20,917	12,564
Savings and temporary cash investments	624,794	119,441	88,551	119,088	133,898	163,816
Receivables due [5]	155,005	15,094	8,713	64,627	** 9,638	** 57,117
Inventories and prepaid expenses	2,457	* 24	0	* 2,248	**	**
Total investments	7,834,583	1,666,546	1,353,873	1,822,624	1,357,698	1,633,842
Securities	6,645,645	1,386,002	1,180,913	1,581,551	1,196,012	1,301,166
Government obligations	1,460,344	231,652	260,012	423,488	301,687	243,505
Corporate stock	3,960,596	903,241	673,557	872,114	699,706	811,978
Corporate bonds	1,224,705	251,110	247,344	285,950	194,619	245,683
Land, buildings, and equipment	83,696	19,824	0	28,286	35,586	0
Other investments	1,105,241	260,720	172,960	212,787	126,100	332,675
Charitable purpose land, buildings, and equipment	44,524	2,604	50,862	26,273	2,130	89,749
Other assets	241,564	61,566	**	33,778	19,126	**
Total liabilities [6]	166,179	46,287	7,170	83,894	16,809	12,019
Accounts payable, accrued expenses, and deferred revenue	29,467	10,857	3,550	13,664	629	768
Other liabilities [7]	136,712	35,429	3,621	70,229	16,180	11,252

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 37, column (b)) less total liabilities (line 43, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from "total liabilities and net assets" (Form 5227, Part IV, line 47, column (b)). This amount may not equal "total liabilities" (line 43, column (b)) plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part IV, line 37, column (b).

[5] Calculated as the sum of "accounts receivable" (Form 5227, Part IV, line 27, column (b)), "receivables due from officers, directors, and other disqualified persons" (line 28, column (b)), and "other notes and loans receivable" (line 29, column (b)).

[6] Taken from Form 5227, Part IV, line 43, column (b).

[7] Includes "loans from officers, directors, trustees, and other disqualified persons" (Form 5227, Part IV, line 40, column (b)), "mortgages and other notes payable" (line 41, column (b)), and "other liabilities" (line 42, column (b)).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 4. Charitable Remainder Unitrusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets					
		Zero or not reported	\$1 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	94,767	2,105	64,082	15,116	9,974	2,743	746
Total net income [1]	9,137,976	-962	952,830	851,011	1,642,181	1,460,514	4,232,402
Net ordinary income [2]	2,190,193	7,960	309,557	259,272	415,086	319,863	878,454
Total ordinary income [3]	2,683,840	15,197	403,991	331,217	521,075	397,478	1,014,881
Interest income	844,989	6,620	103,565	89,960	152,975	117,383	374,485
Dividends and business income (loss)	1,484,474	4,685	243,728	206,007	295,404	234,471	500,179
Other income [4]	354,376	* 3,892	56,697	35,250	72,696	45,623	140,217
Total deductions [5]	493,645	7,237	94,433	71,944	105,989	77,614	136,428
Interest	25,338	** 11	** 2,577	590	2,690	1,566	18,803
Taxes	6,680	**	**	545	2,219	1,365	1,652
Other deductions	461,627	7,226	91,855	70,809	101,081	74,683	115,973
Net short-term capital gains or (losses) [6]	269,222	3,074	30,565	26,299	50,943	51,321	107,020
Total short-term capital gains or (losses)	633,168	3,209	32,592	28,120	53,926	53,190	462,130
Deductions allocable to short-term capital gains or (losses)	363,945	* 135	2,027	1,821	2,982	1,870	355,110
Net long-term capital gains or (losses) [7]	6,590,653	-12,619	601,679	554,934	1,153,664	1,068,504	3,224,492
Total long-term capital gains or (losses) [8]	6,738,271	-12,005	614,611	565,089	1,170,981	1,078,664	3,320,931
Deductions allocable to short-term capital gains or (losses)	147,618	615	12,932	10,155	17,317	10,160	96,439
Nontaxable income [9]	87,908	* 623	11,029	10,506	22,488	20,827	22,436

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Calculated as the sum of "net ordinary income" (Form 5227, Part I, line 13), "net short-term capital gains (losses)" (line 16), "net long-term capital gains (losses)" (line 19), and "current tax year nontaxable income" (Part II, line 21(d)).

[2] Taken from "net ordinary income" (Form 5227, Part I, line 13). This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

[3] Taken from Form 5227, Part I, line 8.

[4] Calculated as the sum of "rents, royalties, partnerships, other estates, and trusts" (Form 5227, Part I, line 4), "farm income or loss" (line 5), "ordinary gain or loss" (line 6), and "other income" (line 7).

[5] Taken from Form 5227, Part I, line 12.

[6] Taken from Form 5227, Part I, line 16.

[7] Taken from Form 5227, Part I, line 19.

[8] Taken from Form 5227, Part I, line 17a.

[9] Taken from Form 5227, Part II, line 21(column d).

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 5. Charitable Remainder Unitrusts: Accumulation Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets					
		Zero or not reported	\$1 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	94,767	2,105	64,082	15,116	9,974	2,743	746
Total accumulations [1]	60,870,765	384,269	6,961,007	6,608,965	11,296,703	10,481,994	25,137,826
Net ordinary income	5,222,659	11,386	435,289	345,256	620,558	586,762	3,223,408
Net short-term capital gains (losses)	1,846,745	9,349	54,887	101,587	200,091	200,724	1,280,108
Net long-term capital gains (losses)	53,374,126	358,311	6,424,680	6,118,590	10,340,394	9,581,647	20,550,504
Nontaxable income	427,234	5,222	46,151	43,532	135,660	112,862	83,807
Prior-year undistributed income [2]	51,732,788	385,231	6,008,177	5,757,954	9,654,523	9,021,480	20,905,425
Net ordinary income	3,032,466	3,425	125,731	85,984	205,473	266,899	2,344,954
Net short-term capital gains (losses)	1,402,833	5,753	-30,332	63,301	109,819	110,506	1,143,786
Net long-term capital gains (losses)	46,958,163	371,453	5,877,655	5,575,643	9,226,059	8,552,040	17,355,313
Nontaxable income	339,325	4,600	35,122	33,026	113,172	92,035	61,371
Current-year net income [3]	9,137,976	-962	952,830	851,011	1,642,181	1,460,514	4,232,402
Net ordinary income	2,190,193	7,960	309,557	259,272	415,086	319,863	878,454
Net short-term capital gains (losses)	269,222	3,074	30,565	26,299	50,943	51,321	107,020
Net long-term capital gains (losses)	6,590,653	-12,619	601,679	554,934	1,153,664	1,068,504	3,224,492
Nontaxable income	87,908	* 623	11,029	10,506	22,488	20,827	22,436
Undistributed at end of year [4]	55,253,576	137,309	6,026,839	5,875,701	10,170,926	9,563,593	23,479,207
Net ordinary income	3,404,240	-199	107,752	96,268	230,902	291,214	2,678,302
Net short-term capital gains (losses)	1,347,569	* 708	25,194	64,645	140,388	144,899	971,735
Net long-term capital gains (losses)	50,119,516	** 136,800	** 5,893,892	5,679,261	9,676,430	9,021,472	19,751,077
Nontaxable income	382,250	**	**	35,527	123,206	106,007	78,094

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Taken from Form 5227, Part II, line 22.

[2] Taken from Form 5227, Part II, line 20.

[3] Taken from Form 5227, Part II, line 21.

[4] Taken from Form 5227, Part II, line 23.

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 6. Charitable Remainder Unitrusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	94,767	66,187	15,116	9,974	2,743	746
Total net assets [2]	79,930,081	11,896,977	10,429,235	15,911,085	13,388,876	28,303,908
Total liabilities and net assets [3]	81,121,949	12,048,950	10,558,223	16,158,249	13,617,030	28,739,497
Total assets [4]	81,121,949	12,048,950	10,558,223	16,158,249	13,617,030	28,739,497
Cash	1,026,000	193,592	136,632	237,463	198,165	260,149
Savings and temporary cash investments	4,957,637	684,447	648,581	931,462	747,789	1,945,359
Receivables due [5]	1,126,560	** 202,062	** 123,542	329,918	251,342	220,594
Inventories and prepaid expenses	7,816	**	**	5,429	1,325	162
Total investments	71,700,498	10,370,099	9,308,386	14,127,705	12,006,408	25,887,901
Securities	50,186,209	8,680,421	7,965,310	11,746,472	9,408,198	12,385,808
Government obligations	4,840,546	535,161	592,076	1,128,405	1,086,674	1,498,231
Corporate stock	37,616,254	6,646,864	6,079,744	8,868,506	6,993,808	9,027,332
Corporate bonds	7,729,408	1,498,396	1,293,490	1,749,560	1,327,716	1,860,245
Land, buildings, and equipment	749,432	74,364	99,921	173,207	199,085	202,855
Other investments	20,764,857	1,615,315	1,243,155	2,208,026	2,399,124	13,299,238
Charitable purpose land, buildings, and equipment	218,919	46,344	* 13,492	63,770	57,959	* 37,354
Other assets	2,084,498	552,392	327,586	462,500	354,042	387,978
Total liabilities [6]	1,191,868	151,973	128,988	247,164	228,154	435,589
Accounts payable, accrued expenses, and deferred revenue	308,948	41,335	35,891	66,909	41,578	123,236
Other liabilities [7]	882,920	110,638	93,097	180,256	186,576	312,352

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 37, column (b)) less total liabilities (line 43, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from "total liabilities and net assets" (Form 5227, Part IV, line 47, column (b)). This amount may not equal "total liabilities" (line 43, column (b)) plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part IV, line 37, column (b).

[5] Calculated as the sum of "accounts receivable" (Form 5227, Part IV, line 27, column (b)), "receivables due from officers, directors, and other disqualified persons" (line 28, column b), and "other notes and loans receivable" (line 29, column (b)).

[6] Taken from Form 5227, Part IV, line 43, column (b).

[7] Includes "loans from officers, directors, trustees, and other disqualified persons" (Form 5227, Part IV, line 40, column (b)), "mortgages and other notes payable" (line 41, column b), and "other liabilities" (line 42, column (b)).

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 7. Charitable Remainder Unitrusts: Fair Market Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	94,767	66,187	15,116	9,974	2,743	746
Total assets	96,835,553	14,162,526	11,993,819	18,362,797	15,405,494	36,910,917
Cash	1,099,830	208,360	140,045	249,926	200,431	301,068
Savings and temporary cash investments	4,996,553	702,892	669,206	947,998	735,553	1,940,905
Receivables due [2]	1,068,410	** 190,017	** 120,806	319,985	225,370	213,131
Inventories and prepaid expenses	8,653	**	**	6,270	1,325	158
Total investments	86,920,413	12,314,060	10,688,907	16,213,653	13,767,797	33,935,996
Securities	59,605,369	10,226,133	9,231,285	13,493,948	10,897,889	15,756,114
Government obligations	5,211,882	576,414	649,754	1,228,720	1,150,206	1,606,788
Corporate stock	46,466,085	8,097,842	7,247,561	10,475,233	8,363,458	12,281,990
Corporate bonds	7,927,403	1,551,877	1,333,969	1,789,994	1,384,225	1,867,336
Land, buildings, and equipment	1,081,192	263,491	135,540	244,478	219,830	217,852
Other investments	26,233,853	1,824,436	1,322,082	2,475,227	2,650,078	17,962,029
Charitable purpose land, buildings, and equipment	343,564	120,097	* 40,298	73,110	* 70,787	* 39,272
Other assets	2,398,098	627,078	334,550	551,852	404,231	480,388

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Calculated as the sum of "accounts receivable" (Form 5227, Part IV, line 27), "receivables due from officers, directors, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 8. Charitable Lead Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	6,298	2,724	1,362	1,379	601	232
Total net assets [2]	15,989,128	518,745	957,121	2,299,523	3,133,114	9,080,625
Total liabilities and net assets [3]	16,485,658	541,074	975,209	2,369,714	3,200,844	9,398,817
Total assets [4]	16,485,658	541,074	975,209	2,369,714	3,200,844	9,398,817
Cash	210,717	20,673	32,736	31,015	41,413	84,879
Savings and temporary cash investments	1,064,356	** 41,714	** 88,117	121,044	188,267	626,357
Receivables due, inventories, and prepaid expenses [5]	148,358	**	**	29,869	26,959	90,388
Total investments	14,509,019	463,618	854,283	2,142,517	2,828,171	8,220,430
Securities	8,119,631	367,771	546,665	1,632,796	1,533,191	4,039,207
Government obligations	650,227	53,894	45,897	134,943	92,245	323,248
Corporate stock	6,756,726	288,666	454,873	1,339,110	1,247,872	3,426,205
Corporate bonds	712,678	25,211	* 45,896	158,743	193,074	289,755
Other investments [6]	6,389,388	95,847	307,618	509,721	1,294,980	4,181,222
Other assets [7]	553,207	15,069	* 73	45,268	* 116,034	376,763
Total liabilities [8]	496,529	22,329	* 18,088	70,191	67,730	318,192

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 37, column (b)) less total liabilities (line 43, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from "total liabilities and net assets" (Form 5227, Part IV, line 47, column (b)). This amount may not equal "total liabilities" (line 43, column (b)) plus "total net assets" (line 46, column (b)).

[4] Taken from Form 5227, Part IV, line 37, column (b).

[5] Calculated as the sum of "accounts receivable" (Form 5227, Part IV, line 27, column (b)), "receivables due from officers, directors, and other disqualified persons" (line 28, column (b)), "other notes and loans receivable" (line 29, column (b)), "inventories for sale or use" (line 30, column (b)), and "prepaid expenses and deferred charges" (line 31, column (b)).

[6] Calculated as the sum of "investments—land, buildings, and equipment" (Form 5227, Part IV, line 33, column (b)) and "investments—other" (line 34, column (b)).

[7] Calculated as the sum of "charitable purpose land, buildings, and equipment" (Form 5227, Part IV, line 35, column (b)) and "other assets" (line 36, column (b)).

[8] Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, Filing Year 2006

Statistics of Income Bulletin | Winter 2008

Table 9. Pooled Income Funds: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2006

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Total	Size of end-of-year book value of total assets			
		Under \$1,000,000 [1]	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)
Number of returns	1,676	1,427	138	84	26
Total net assets [2]	1,483,773	198,000	221,101	432,438	632,234
Total liabilities and net assets [3]	1,599,610	198,393	221,956	435,126	744,134
Total assets [4]	1,599,610	198,393	221,956	435,126	744,134
Cash	10,778	1,558	1,670	3,335	4,216
Savings and temporary cash investments	79,213	** 13,015	** 13,489	15,502	39,817
Receivables due, inventories, and prepaid expenses [5]	4,079	**	**	* 127	* 1,341
Total investments	1,437,245	141,833	204,121	415,923	675,368
Securities	1,163,438	107,620	193,884	375,385	486,550
Government obligations	231,772	13,030	29,588	56,389	132,765
Corporate stock	460,045	38,542	56,750	151,118	213,635
Corporate bonds	471,621	56,048	107,546	167,878	140,150
Other investments [6]	273,807	34,214	* 10,237	40,538	* 188,818
Other assets [7]	68,294	41,987	* 2,677	* 239	* 23,391
Total liabilities [8]	115,837	* 393	* 855	2,689	111,900

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 37, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by funds filing a final return.

[2] Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 37, column (b)) less total liabilities (line 43, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from "total liabilities and net assets" (Form 5227, Part IV, line 47, column (b)). This amount may not equal "total liabilities" (line 43, column (b)) plus "total net assets" (line 46, column (b)).

[4] Taken from Form 5227, Part IV, line 37, column (b).

[5] Calculated as the sum of "accounts receivable" (Form 5227, Part IV, line 27, column (b)), "receivables due from officers, directors, and other disqualified persons" (line 28, column (b)), "other notes and loans receivable" (line 29, column (b)), "inventories for sale or use" (line 30, column (b)), and "prepaid expenses and deferred charges" (line 31, column (b)).

[6] Calculated as the sum of "investments—land, buildings, and equipment" (Form 5227, Part IV, line 33, column (b)) and "investments—other" (line 34, column (b)).

[7] Calculated as the sum of "charitable purpose land, buildings, and equipment" (Form 5227, Part IV, line 35, column (b)) and "other assets" (line 36, column (b)).

[8] Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding.