

2007 Gifts

by Melissa J. Belvedere

The Federal transfer tax system comprises three components: the estate tax, the gift tax, and the generation-skipping transfer tax. Transfer taxes are indirect taxes levied on the right to transfer property from one person to another, as opposed to direct taxes imposed on the property itself. *Inter vivos* transfers, or transfers made within the donor's life, are subject to the gift tax, and are reported on IRS Form 709, *United States Gift (and Generation-Skipping Transfer) Tax Return*. The estate tax, however, is levied on transfers made at death.

This article presents statistical data collected from gift tax returns filed in 2008, as representative of gift transfers made during 2007, and collected by the Internal Revenue Service's Statistics of Income Division.¹

The population of 2007 donors was 257,485. Donors transferred a total of \$45.2 billion through *inter vivos* gifts. A wide range of asset types was gifted to donees, but 86.7 percent of all gifts were in the form of cash, real estate, and stock. The vast majority of returns filed, 96.3 percent, were nontaxable; the total amount of gift taxes incurred on the remaining 3.7 percent was \$2.8 billion.

A variety of methods were used to gift property to donees. The most popular method was a direct transfer, which accounted for 74.3 percent of all gifts. Additional gifts were given through trusts. Of gifts-to-trusts, family trusts and simple trusts were the two forms used most frequently, accounting for 4.5 percent and 4.3 percent, respectively, of the total amount of gifts. Male and female recipients were almost evenly represented, with the majority (75.4 percent) of donees being children and grandchildren.

Background

Although subsequent legislation altered the gift tax, the tax originated with the Revenue Act of 1924.² While the estate tax framework had been created in 1918, the gift tax was not incorporated into the transfer tax system until 1924. The tax rate applicable to gifts was the same as for the estate tax, and the

act established lifetime and annual exclusions. The lifetime exemption, or the total amount a donor can transfer during his or her lifetime without incurring tax, was set at \$50,000; the annual exclusion, or the amount a donor could give tax-free to any single recipient within a single year, was set at \$500 per donee.

The gift tax was repealed in 1926; however, the financial pressures of the Great Depression of the 1930s led to its reinstatement in 1932. Notably, the gift tax rate was set at 75 percent of the estate tax rate, and gifts to charitable organizations were exempted from tax. Additional financial strain owing to the continuance of the Depression, and, later, World War II, prompted Congress to increase revenue by raising estate tax rates and lowering the lifetime exemption several times throughout the 1930s and 1940s. Rates on gifts, which were still set at a percentage of the estate tax rate, rose as well. In 1948, another Revenue Act introduced marital deductions and gift-splitting to the gift tax. The marital deduction allowed limited interspousal gifts without tax liability, meaning that a donor could take as a marital deduction an amount up to half of adjusted gross estate. The split-gift rule allowed the donor spouse to elect to consider half of a gift transfer as having been made by the nondonor spouse, effectively doubling the amount which could be given to any one recipient without incurring tax liability.

The Tax Reform Act of 1976 introduced significant restructuring of the estate and gift taxes. This act created a unified system of estate and gift taxation "consisting of a single, graduated rate of tax imposed on both lifetime gifts and testamentary dispositions"; gift tax rates increased as each successive gift increased the cumulative gift amount made during a donor's lifetime, such that the highest rate was applied to transfers made at death.³ Additionally, the unified credit was created, merging the previously separate estate tax and gift tax lifetime exemptions. Importantly, however, the gift tax annual exclusion was retained. This unified credit is used to offset tax liability arising from gifts during the donor's life, with any unused credit applied to the estate tax liability at death. Generation-skipping transfers were also taxed for the first time.

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¹ Approximately 94 percent of returns filed in 2008 were for gifts made in 2007.

² Luckey, John R., "A History of Federal Estate, Gift, and Generation-Skipping Taxes," April 9, 2003, Congressional Research Service, Library of Congress, p. 8.

³ *Ibid.*, p. 12.

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Various, comparatively minor, modifications were made to the transfer tax system between 1976 and 2001; perhaps the most significant change was the indexing of the annual exclusion amount as a result of the Taxpayer Protection Act of 1997. More significant changes to the transfer tax system were made by the Economic Growth and Tax Relief Reconciliation Act of 2001. In addition to various changes made to the estate tax (most notably eliminating the estate tax entirely in 2010, only to have it brought back in 2011 with a much lower exemption amount), the act increased the lifetime exemption amount for gift taxes to \$1 million and lowered the maximum tax rate to 35 percent.

Under current tax law, the gift tax annual exclusion amount for 2007 was \$12,000. This means that, in 2007, donors could give up to \$12,000 to any single recipient without incurring tax; there was no limit on the number of recipients who could receive a gift. Therefore, a donor could, for example, give \$60,000 to five separate recipients, which could be either individuals or trusts, completely tax-free.

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There were a total of 257,485 gift tax returns filed in 2008. 247,932 returns, or 96.3 percent, were nontaxable; the remaining 9,553, or 3.7 percent, were taxable (Figure A). Taxable returns are those which incur tax after adjusting for both annual exclusions and lifetime exemptions. Female donors filed 51.8 percent of all gift tax returns, of which 4.2 percent were taxable; male donors filed 48.2 percent of all returns, of which 3.1 percent were taxable.

Figure A

Number of Gift Tax Returns Filed, by Tax Status and Sex of Donor, Filing Year 2008

[All figures are estimates based on a sample]

Donor sex	Tax status		
	All returns	Taxable	Nontaxable
	(1)	(2)	(3)
Total	257,485	9,553	247,932
Female	133,413	5,662	127,751
Male	124,072	3,891	120,181

The reported total amount of gifts was \$45.2 billion (Figure B). There were marital deductions claimed in the amount of \$1.2 billion, and chari-

table deductions in the amount of \$6.5 billion. The amount of total taxable gifts made in the current period, by all donors, was \$28.1 billion. Of the resultant current period gift tax liability of \$2.8 billion, female donors reported \$1.9 billion, while male donors reported the remaining \$0.9 billion in tax liability. (For a more detailed explanation of cumulative gifts and current period gifts, see Selected Terms and Concepts.)

Figure B

Total Gifts, Exclusions, Deductions, and Taxable Gifts, 2007

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

Item	Amount
Total gifts [1]	45,213,996
Annual exclusions [2]	9,452,995
Total deductions	7,697,255
Marital deduction	1,177,436
Charitable deduction	6,519,819
Current taxable gifts [3]	28,097,083

[1] This value is based on the amount reported on Form 709, part 4, line 1, and reflects the value of total gifts reported by the donor after gifts have been split between the donor and consenting spouse.

[2] This value is based on the amount reported on Form 709, part 4, line 2.

[3] This value is based on the amount reported on Form 709, part 4, line 11.

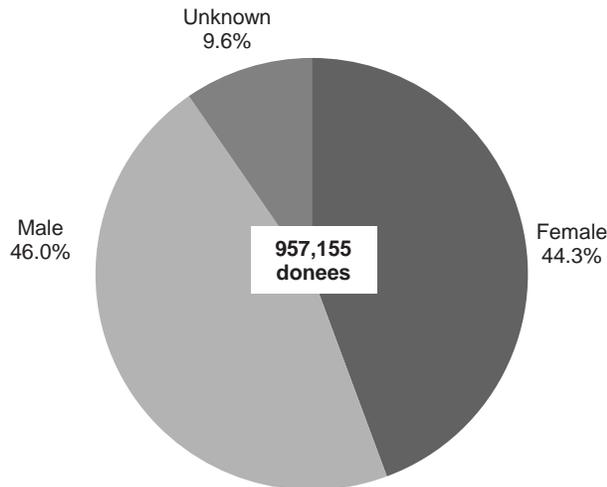
NOTE: Detail may not add to total due to rounding and taxpayer reporting discrepancies.

There were a total of 957,155 gift recipients in 2007 (Figure C). There were slightly more male donees than female, 46.0 percent versus 44.3 percent, respectively. Approximately 9.6 percent of all gift recipients were trusts, organizations, or cases where the donee's gender was unknown. The majority of gifts were to children and grandchildren, which comprised 51.4 percent and 24.0 percent, respectively, of gift recipients. Spouses, siblings, parents, and other relatives each comprised between 1.0 percent and 3.3 percent of the total number of donees. Charitable recipients were 1.1 percent of the total number (Figure D).

In addition to the amount of gifts transferred and characteristics of the recipients, data are also collected regarding the method of transfer used. Most gifts (74.3 percent, or \$33.6 billion) were direct gifts, meaning recipients had full and immediate access to the gift (Figure E). By comparison, gifts-through-trust are often contingent on some future event to

Figure C

Composition of Donees, by Sex, 2007



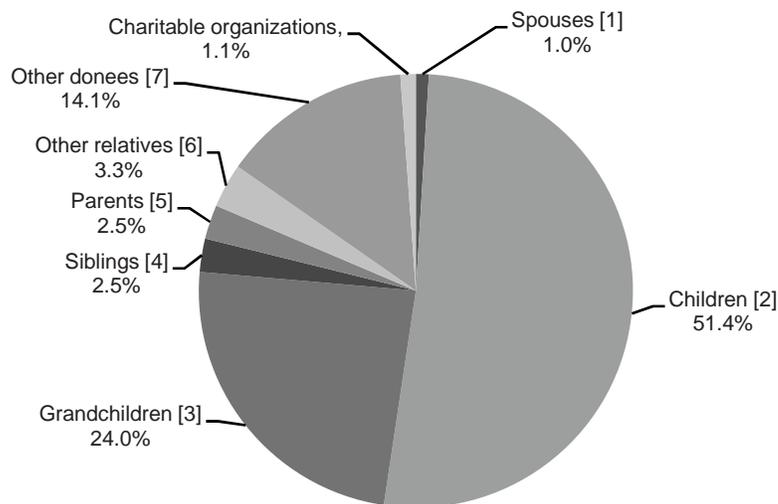
NOTE: Detail may not add to 100 percent due to rounding.

trigger disbursements to recipients. The most frequently used trust vehicles were family trusts (4.5 percent of total gifts, or 17.5 percent of total gifts through trust), which allow the donor to pass wealth through generations of descendants. Simple trusts—usually established for the benefit of one individual, and which must distribute all income generated each year—were used in 4.3 percent of cases, or 16.8 percent of total gifts through trust. Split-interest trusts of all types, characterized by having both charitable and noncharitable beneficiaries, were used in 13.7 percent of gifts through trusts.

Cash was the predominant type of asset gifted; it made up \$20.9 billion, or 46.2 percent, of the total amount of gifts (Figure F). Gifts of corporate stock were the second largest type of asset gifted, comprising 23 percent, or \$10.6 billion, of the total, while real estate was the third largest type of gift (\$7.7 billion, or 17.0 percent). Considered by the sex of the donor, women were more apt to give cash (49.6

Figure D

Relationship of Donees to Donors, 2007



[1] Spouses includes current and divorced spouses/life partners.

[2] Children includes children by blood, adopted children, foster children, step-children, and sons- and daughters-in-law.

[3] Grandchildren includes grandchildren by blood, adopted grandchildren, foster grandchildren, step-grandchildren, grandchildren-in-law, and great-grandchildren.

[4] Siblings include siblings by blood, adopted siblings, foster siblings, step-siblings, half-siblings, and siblings-in-law.

[5] Parents include parents by blood, adopted parents, foster parents, step-parents, parents-in-law, and grandparents.

[6] Other relatives includes nieces and nephews, grand-nieces or grand-nephews, cousins (second cousins, etc.), and aunts and uncles.

[7] Other donees includes other individuals whose relationship is not specified and unidentified organizations.

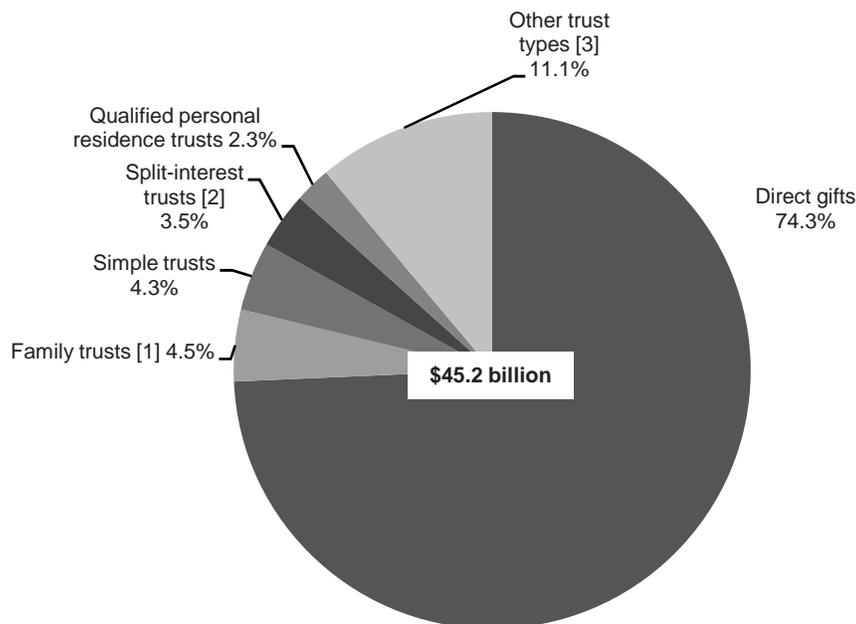
NOTE: Detail may not add to 100 percent due to rounding.

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Figure E

Method of Gift Transfer, 2007



[1] Family trusts include children's trusts and bypass trusts.

[2] Split-interest trusts include charitable remainder unitrusts, charitable remainder annuity trusts, charitable lead trusts, pooled income funds, unknown charitable remainder trusts, and unknown split-interest trusts.

[3] Other trust types include insurance trusts, marital trusts, 529 trusts, grantor retained annuity trusts, generation skipping trusts, and unknown trusts.

NOTE: Detail may not add to 100 percent due to rounding.

percent, or \$12.0 billion) as a gift than men (42.3 percent, or \$8.9 billion). However, men were more likely to give stock as a gift (28 percent, or \$5.9 billion) compared with 19.3 percent, or \$4.7 billion, by women (Figure G).

Gift taxes are calculated based on the fair market value of the transferred assets, as of the date of transfer. However, there are certain circumstances under which the value of the assets may be reduced, a practice known as valuation discounting. Generally, assets are discounted due to certain characteristics of the ownership that result in a lack of control or marketability. For 2007, valuation discounts of \$3.4 billion were taken on 94,703 gifts (Figure H). The majority of the discount rates taken were between 20 percent and 40 percent.

Focus on Crummey Powers and Family Limited Partnerships

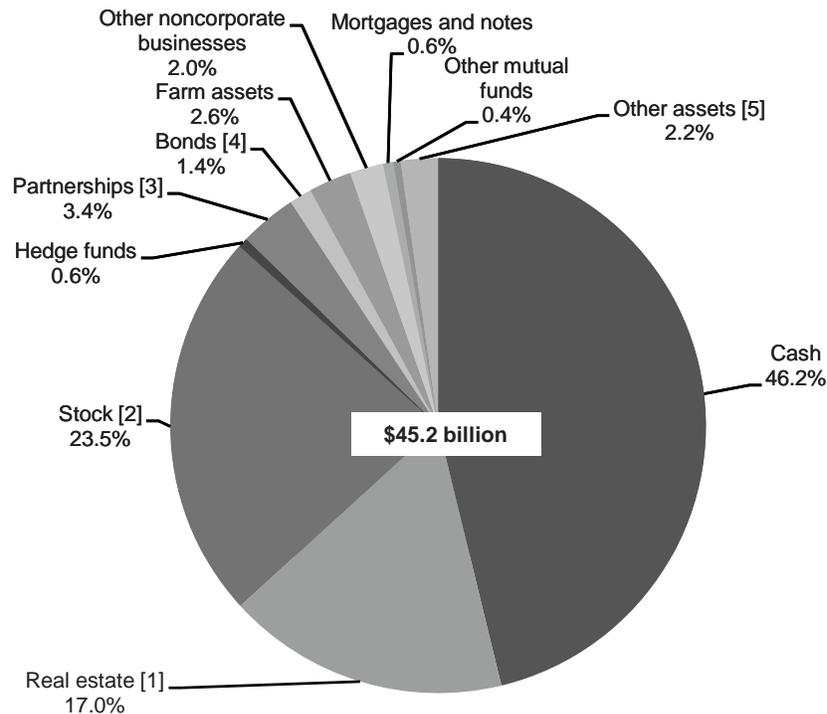
In order for a gift to qualify for the annual exclusion, the recipient must be able to enjoy the full benefit of

the gift immediately; this is known as having a present interest. If the recipient is unable to enjoy the benefit of the gift immediately, it is considered a gift of future interest and, as such, does not qualify for the annual exclusion. This can create issues if, for example, a parent wishes to fund a trust for children using annual gifts, for use when the children reach the age of majority.

In such situations, an irrevocable trust with Crummey powers can be used to convert the children's future interest into a present interest, thus allowing the parents to take advantage of the annual exclusion as well as the control afforded by the trust. Under Crummey powers, first legitimized in the 1968 case *Crummey v. Commissioner*, the trustee is required to notify beneficiaries when the trust has been funded with an annual gift. Beneficiaries then have the right to withdraw their shares of the gift for a limited period of time; it is this right to withdraw the annual gift amount which creates the present interest necessary to qualify for the annual exclusion.

Figure F

Asset Composition of Gifts, 2007



[1] Real estate includes personal residences, vacant land, improved real estate, farm land, real estate partnerships, and real estate mutual funds.

[2] Stock includes publicly traded and closely held stock.

[3] Partnerships include family limited partnerships and undefined limited partnerships.

[4] Bonds includes state and local bonds, Federal savings bonds, other Federal bonds, corporate and foreign bonds, and bond funds.

[5] Other assets includes annuities, retirement assets, futures, face value of insurance policies, art, depletable/intangible property, and other assets.

If, however, the beneficiary does not exercise withdrawal rights, the gift remains in the trust and subject to the distribution conditions established in the trust documents. Crummey powers were expanded some years later, with *Cristofani's Estate v. Commissioner* in 1991, which allowed contingent remainder beneficiaries (such as grandchildren) to also be considered as having present interest.

As part of the process of collecting data on gifts and the method of transfer, Statistics of Income also compiles data on gifts using Crummey powers. For gifts in 2007, \$3.3 billion were gifted through trusts with Crummey powers. The vast majority of these gifts were in cash, totaling \$2.0 billion, or 61.5 percent of the total amount (Figure I). Stock and gifts of partnerships were the second and third most common assets gifted, comprising \$478.2 million (14.5 percent) and \$289.1 million (8.8 percent), respectively.

Family limited partnerships (FLPs) are another interesting tool used when gifting assets. An FLP is an estate planning tool modeled on a regular limited partnership, in which family business or investment assets are pooled to enable wealth management across multiple generations. The creator of an FLP can then gift shares of the limited partnership interest in the FLP to other family members. FLPs are a useful tool for reducing tax liability, because the value of the gifted shares are often discounted, meaning that the value for tax purposes of the shares is significantly less than the fair market value of the underlying assets themselves. FLP assets are subject to discounts for both lack of control and marketability, because the limited partnership interests convey no control over the partnership, and there is no real market for those interests. Gifting shares of FLPs also removes assets from a donor's estate, thus reducing the tax liability at death.

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Figure G

Asset Composition of Gifts, by Sex of Donor, 2007

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

Type of assets gifted	Female		Male	
	Amount	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)
Total	24,180,501	100.00	21,033,495	100.00
Cash	12,003,255	49.64	8,886,309	42.25
Real estate [1]	4,317,335	17.85	3,377,992	16.06
Stock [2]	4,674,472	19.33	5,940,488	28.24
Hedge funds	173,504	0.72	92,726	0.44
Partnerships [3]	825,499	3.41	727,381	3.46
Bonds [4]	359,027	1.48	264,539	1.26
Farm assets	565,150	2.34	599,456	2.85
Other noncorporate businesses	417,261	1.73	493,881	2.35
Mortgages and notes	196,714	0.81	86,666	0.41
Other mutual funds	125,866	0.52	75,222	0.36
Other assets [5]	522,417	2.16	488,834	2.32

[1] Real estate includes personal residences, vacant land, improved real estate, farm land, real estate partnerships, and real estate mutual funds.

[2] Stock includes publicly traded and closely held stock.

[3] Partnerships include family limited partnerships and undefined limited partnerships.

[4] Bonds include state and local bonds, Federal savings bonds, other Federal bonds, corporate and foreign bonds, and bond funds.

[5] Other assets includes annuities, retirement assets, futures, face value of insurance policies, art, depletable/intangible property, and other assets.

Figure H

Size of Valuation Discounts as a Percentage of Full Value of Assets, 2007

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

Percentage of valuation discount	Number of discounted gifts	Amount of discount
All discounted gifts	94,703	3,354,520
Less than 20 percent	17,446	220,367
Between 20 and 40 percent	64,826	2,048,717
Greater than 40 percent	12,430	1,085,436

Assets identified as part of an FLP accounted for \$1.4 billion, or 3.0 percent, of the amount of total gifts (Figure I). As opposed to the overall total of gifts (which consisted mostly of cash and, to a lesser extent, stock) or gifts with Crummey powers (which very heavily favored cash), FLP assets were mostly real estate and stock. Real estate accounted for 31.5 percent of all FLP-identified assets; stock accounted for 30.07 percent. Farm assets, which made up the third most valuable category of assets, were only 8.42 percent of the total.

Data Sources and Limitations

All statistics presented in this article are taken from a sample of 9,259 returns filed during Calendar Year 2008. Approximately 94 percent of gifts reported on these Filing Year 2008 returns were given during Calendar Year 2007. Therefore, Filing Year 2008 returns are considered a reasonable reflection of 2007 donors and gifts.

The Gift Tax Study is an annual study based on a stratified random sample of Forms 709, *United States Gift (and Generation-Skipping Transfer) Tax Return*. Returns are stratified by both tax status and the size of total gifts. Tax status (either taxable or nontaxable) is determined based on the presence or absence of gift tax liability, as reported on Part 2, line 15. The size of total gifts is determined based on the amount of total gifts reported, prior to subtractions for annual exclusions, marital deductions, and charitable deductions.

Taxable returns are subdivided into five strata depending on the size of total gifts; nontaxable returns are subdivided into four strata. Sampling rates for taxable returns ranged from 6.07 percent for returns with total gifts less than \$100,000, to 100 percent for returns with gifts of \$1,000,000 or more. Sampling

Figure I

Asset Composition of Gifts Utilizing Crummey Powers and Gifts as Part of Family Limited Partnerships, 2007

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

Type of assets gifted	All gifts		Crummey powers		Family Limited Partnerships	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	45,213,996	100.00	3,302,590	100.00	1,356,306	100.00
Cash	20,889,564	46.20	2,031,575	61.51	49,591	3.66
Real estate [1]	7,695,328	17.02	230,483	6.98	426,583	31.45
Stock [2]	10,614,960	23.48	478,241	14.48	407,856	30.07
Hedge funds	266,230	0.59	16,609	0.50	90,230	6.65
Partnerships [3]	1,552,880	3.43	289,058	8.75	44,917	3.31
Bonds [4]	623,566	1.38	42,609	1.29	75,932	5.60
Farm assets	1,164,607	2.58	37,870	1.15	114,195	8.42
Other noncorporate businesses	911,142	2.02	59,211	1.79	21,650	1.60
Mortgages and notes	283,380	0.63	28,089	0.85	52,110	3.84
Other mutual funds	201,088	0.44	20,150	0.61	50,120	3.70
Other assets [5]	1,011,251	2.24	68,695	2.08	23,122	1.70

[1] Real estate includes personal residences, vacant land, improved real estate, farm land, real estate partnerships, and real estate mutual funds.

[2] Stock includes publicly traded and closely held stock.

[3] Partnerships include family limited partnerships and undefined limited partnerships.

[4] Bonds include state and local bonds, Federal savings bonds, other Federal bonds, corporate and foreign bonds, and bond funds.

[5] Other assets includes annuities, retirement assets, futures, face value of insurance policies, art, depletable/intangible property, and other assets.

rates for nontaxable returns ranged from 0.11 percent for returns with less than \$100,000 in total gifts, to 100 percent for returns with \$1,000,000 or more in total gifts. There were 3,800 taxable returns and 5,459 nontaxable returns included in the final sample.

Poststratified weights were applied to each return in the final sample in order to produce population estimates of financial data. These weights were computed by dividing the actual population count of filed returns by the actual sample count of returns for a given sample stratum. Weights have been adjusted to account for missing returns, rejected returns, and outliers. The magnitude of sampling error for selected data items, as measured by the coefficients of variation, is shown in Figure J.

Selected Terms and Concepts

Annual exclusion—The annual amount of gifts, to any single beneficiary, which are exempt from Federal gift taxation. For 2007, the annual exclusion amount was \$12,000.

Beneficiary—The recipient of income or assets from a trust, will, or life insurance policy.

Charitable deduction—For outright transfers to qualified charitable organizations, donors are entitled

to take an unlimited charitable deduction for the total amount of the transfer. For gifts to trust, charitable deductions are allowed only when certain legal requirements are met.

Crummey trust—A type of trust arrangement which allows the grantor to utilize simultaneously the annual gift tax exclusion as well as the long-term

Figure J

Coefficients of Variation for Selected Data, by Tax Status, 2008

Item	All returns	Taxable	Nontaxable
	(1)	(2)	(3)
Number of returns	0.35	0.74	0.03
Female donors	4.63	2.09	4.84
Male donors	4.98	2.82	5.14
Marital deduction [1]	3.01	2.47	3.40
Charitable deduction [2]	1.79	2.53	2.53
Total gift tax [3]	0.46	0.46	N/A
Total amount of gifts [4]	0.81	0.77	1.06

N/A—Not applicable.

[1] This value is based on the amount reported on Form 709, part 4, line 6.

[2] This value is based on the amount reported on Form 709, part 4, line 7.

[3] This value is based on the amount reported on Form 709, part 2, line 15.

[4] This value is based on the amount reported on Form 709, part 4, line 1.

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financial protection and control inherent in a trust. First legitimized by *Crummey v. Commissioner* in 1968, and expanded further by *Cristofani's Estate v. Commissioner* in 1991, a Crummey trust essentially transforms future gifts-through-trust into a “present interest” for beneficiaries, by allowing beneficiaries and contingent future beneficiaries the right, for a limited time, to withdraw funds up to the annual exclusion amount.

Cumulative gifts—The Tax Reform Act of 1976 introduced a graduated framework for asset transfers, both during life and at death. Each successive gift adds to the cumulative gift amount; the final transfer contributing to the cumulative amount is a bequest at death. The tax rate on gifts was progressive, meaning that the highest tax rate was applied to transfers at death. In 1976, the highest tax rate on total cumulative gifts was 70 percent; under current law, the highest rate applied to total cumulative gifts in 2007 was 45 percent.

Donee—The same as a gift recipient, a donee is a person or entity receiving a gift.

Marital deduction—For transfers of property between spouses, either during their lifetimes or at

death, the donor may take an unlimited marital deduction for the amount of the transfer. That is to say, one individual may transfer an unlimited amount of assets to a spouse tax-free.

Nontaxable return—Gift tax returns with no gift tax liability reported on Part 2, line 15.

Partnership—An unincorporated business arrangement whereby two or more people manage a business, share the profits, and are equally liable for the debts. The partnership itself is not liable for income taxes, but, instead, the partners must report income and losses on their individual tax returns.

Taxable gifts—The amount of total gifts less annual exclusions and marital and charitable deductions.

Taxable return—Gift tax returns reporting a positive amount of gift tax liability on Part 2, line 15.

Trust—A legal entity in its own right, established and governed by a trust agreement, which is created when one party (the grantor or settler) transfers ownership of assets to the trust under the control of a trustee, for the benefit of a third party (the beneficiary).

Table 1. Gift Tax Returns Filed in 2008: Total Gifts of Donor, Deductions, Credits, and Net Tax on Current Period Gifts

[All figures are estimates based on a sample—money amounts are in whole dollars]

Tax status and size of taxable gifts, current period	Total gifts [1]		Total annual exclusions		Total included amount of gifts		Marital deduction [2]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns	257,485	45,213,996,401	244,347	9,452,994,769	171,879	35,760,999,166	1,354	1,177,436,266
Less than \$2,500	104,590	6,941,072,876	104,105	3,951,041,301	18,984	2,990,030,471	675	758,393,831
\$2,500 under \$5,000	7,163	438,931,192	6,223	316,217,063	7,163	122,714,457	*5	*12,989,989
\$5,000 under \$10,000	9,463	705,614,317	9,447	375,938,725	9,463	329,675,695	73	17,839,073
\$10,000 under \$25,000	24,203	1,480,686,481	22,382	876,260,326	24,203	604,425,158	36	61,122,492
\$25,000 under \$50,000	26,721	2,051,019,086	25,769	848,993,620	26,721	1,202,025,507	55	21,622,799
\$50,000 under \$75,000	15,076	2,254,440,057	14,140	475,718,501	15,076	1,778,721,516	92	23,129,667
\$75,000 under \$100,000	10,881	1,380,653,891	9,074	348,387,798	10,881	1,032,266,205	10	23,938,218
\$100,000 under \$250,000	29,860	6,148,960,295	27,061	1,027,705,885	29,860	5,121,254,224	224	34,682,832
\$250,000 under \$500,000	16,694	6,851,843,372	14,775	589,308,239	16,694	6,262,534,874	78	91,215,502
\$500,000 under \$1,000,000	10,631	8,518,350,164	9,394	458,437,547	10,631	8,059,912,176	86	87,989,832
\$1,000,000 or more	2,203	8,442,424,672	1,976	184,985,765	2,203	8,257,438,884	20	44,512,031
All nontaxable returns	247,932	33,205,261,560	235,196	8,557,112,794	162,327	24,648,146,279	1,218	1,035,012,803
Less than \$2,500	104,002	6,829,180,502	103,533	3,893,172,332	18,396	2,936,007,093	**659	**761,469,445
\$2,500 under \$5,000	6,872	379,113,569	5,949	290,172,162	6,872	88,941,712	**	**
\$5,000 under \$10,000	9,035	534,917,346	9,035	340,930,118	9,035	193,987,296	**77	**39,874,688
\$10,000 under \$25,000	23,538	1,310,535,425	21,733	804,439,931	23,538	506,094,497	**	**
\$25,000 under \$50,000	26,013	1,894,345,652	25,094	779,968,104	26,013	1,114,377,550	*45	*10,321,233
\$50,000 under \$75,000	14,440	1,498,727,885	13,521	417,934,040	14,440	1,080,793,862	*83	*20,260,528
\$75,000 under \$100,000	10,481	1,253,172,156	8,674	306,067,895	10,481	947,104,346	**215	**41,557,124
\$100,000 under \$250,000	28,098	5,483,416,974	25,366	867,792,456	28,098	4,615,624,306	**	**
\$250,000 under \$500,000	15,518	6,062,286,103	13,640	477,981,318	15,518	5,584,304,555	65	43,915,694
\$500,000 under \$1,000,000	9,437	7,400,900,678	8,270	358,132,099	9,437	7,042,768,132	67	80,906,766
\$1,000,000 or more	499	558,665,267	383	20,522,339	499	538,142,932	6	36,707,325
All taxable returns	9,553	12,008,734,842	9,151	895,881,976	9,553	11,112,852,887	137	142,423,463
Less than \$2,500	588	111,892,373	572	57,868,969	588	54,023,378	**21	**9,914,375
\$2,500 under \$5,000	291	59,817,622	275	26,044,901	291	33,772,746	**	**
\$5,000 under \$10,000	428	170,696,971	412	35,008,608	428	135,688,399	**32	**39,086,877
\$10,000 under \$25,000	666	170,151,056	649	71,820,395	666	98,330,661	**	**
\$25,000 under \$50,000	708	156,673,433	676	69,025,515	708	87,647,957	*10	*11,301,566
\$50,000 under \$75,000	636	755,712,172	620	57,784,462	636	697,927,654	*9	*2,869,139
\$75,000 under \$100,000	400	127,481,735	400	42,319,903	400	85,161,859	**19	**17,063,926
\$100,000 under \$250,000	1,762	665,543,320	1,695	159,913,429	1,762	505,629,918	**	**
\$250,000 under \$500,000	1,176	789,557,268	1,135	111,326,921	1,176	678,230,320	13	47,299,809
\$500,000 under \$1,000,000	1,193	1,117,449,485	1,125	100,305,448	1,193	1,017,144,044	19	7,083,066
\$1,000,000 or more	1,704	7,883,759,405	1,593	164,463,426	1,704	7,719,295,952	14	7,804,706

Footnotes at end of table.

2007 Gifts

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Table 1. Gift Tax Returns Filed in 2008: Total Gifts of Donor, Deductions, Credits, and Net Tax on Current Period Gifts—Continued

[All figures are estimates based on a sample—money amounts are in whole dollars]

Tax status and size of taxable gifts, current period	Charitable deduction [3]		Total deductions		Taxable gifts, current period [4]		Taxable gifts, prior periods [5]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns	7,775	6,519,818,619	9,059	7,697,255,246	167,237	28,097,083,463	117,356	73,913,664,680
Less than \$2,500	5,296	2,216,824,631	5,948	2,975,218,811	14,342	14,854,024	46,814	23,303,883,410
\$2,500 under \$5,000	56	84,586,283	60	97,576,272	7,163	25,138,185	3,476	1,354,509,549
\$5,000 under \$10,000	266	241,819,757	332	259,658,829	9,463	70,016,865	6,644	1,718,010,299
\$10,000 under \$25,000	235	155,091,407	266	216,213,920	24,203	388,211,239	13,877	4,430,449,022
\$25,000 under \$50,000	260	229,491,168	312	251,113,968	26,721	950,911,539	13,516	13,816,712,572
\$50,000 under \$75,000	275	759,193,265	361	782,322,931	15,076	996,398,585	5,786	2,739,774,232
\$75,000 under \$100,000	207	72,303,143	214	96,241,361	10,881	936,024,818	3,697	2,533,626,909
\$100,000 under \$250,000	397	330,058,010	616	364,740,842	29,860	4,756,546,481	11,982	8,183,880,364
\$250,000 under \$500,000	364	311,689,334	434	402,904,836	16,694	5,860,121,486	6,602	4,862,333,645
\$500,000 under \$1,000,000	269	241,938,617	348	329,928,441	10,631	7,732,880,978	3,706	3,280,571,194
\$1,000,000 or more	149	1,876,823,003	169	1,921,335,034	2,203	6,365,979,264	1,256	7,689,913,484
All nontaxable returns	7,022	3,074,733,036	8,199	4,109,746,208	157,685	20,538,442,373	108,323	47,877,269,565
Less than \$2,500	**5,272	**2,225,139,850	**5,908	**2,986,609,643	13,754	14,324,461	46,226	22,207,973,126
\$2,500 under \$5,000	**	**	**	**	6,872	24,057,064	3,185	913,853,748
\$5,000 under \$10,000	**382	**216,494,575	**455	**256,369,284	9,035	66,963,404	6,216	971,012,334
\$10,000 under \$25,000	**	**	**	**	23,538	376,749,105	13,228	2,800,884,775
\$25,000 under \$50,000	217	179,120,250	259	189,441,484	26,013	924,936,066	12,808	12,354,147,537
\$50,000 under \$75,000	215	103,245,712	298	123,506,239	14,440	957,287,622	5,150	1,014,255,098
\$75,000 under \$100,000	**464	**154,939,108	**675	**196,496,232	10,481	901,001,499	3,297	1,399,394,845
\$100,000 under \$250,000	**	**	**	**	28,098	4,465,230,860	10,264	3,955,190,213
\$250,000 under \$500,000	276	104,290,689	338	148,206,382	15,518	5,436,098,171	5,429	1,865,391,779
\$500,000 under \$1,000,000	183	89,067,269	248	169,974,035	9,437	6,872,794,096	2,521	395,166,112
\$1,000,000 or more	12	2,435,583	18	39,142,908	499	499,000,024	0	0
All taxable returns	752	3,445,085,583	860	3,587,509,038	9,553	7,558,641,090	9,033	26,036,395,114
Less than \$2,500	**80	**76,271,065	**100	**86,185,439	588	529,563	588	1,095,910,284
\$2,500 under \$5,000	**	**	**	**	291	1,081,121	291	440,655,801
\$5,000 under \$10,000	**119	**180,416,589	**143	**219,503,465	428	3,053,461	428	746,997,964
\$10,000 under \$25,000	**	**	**	**	666	11,462,134	649	1,629,564,248
\$25,000 under \$50,000	43	50,370,918	52	61,672,484	708	25,975,473	708	1,462,565,035
\$50,000 under \$75,000	60	655,947,553	64	658,816,692	636	39,110,962	636	1,725,519,134
\$75,000 under \$100,000	**140	**247,422,045	**156	**264,485,970	400	35,023,319	400	1,134,232,064
\$100,000 under \$250,000	**	**	**	**	1,762	291,315,621	1,718	4,228,690,152
\$250,000 under \$500,000	88	207,398,645	96	254,698,454	1,176	424,023,315	1,173	2,996,941,867
\$500,000 under \$1,000,000	86	152,871,348	99	159,954,406	1,193	860,086,882	1,185	2,885,405,082
\$1,000,000 or more	137	1,874,387,420	151	1,882,192,126	1,704	5,866,979,240	1,256	7,689,913,484

Footnotes at end of table.

Table 1. Gift Tax Returns Filed in 2008: Total Gifts of Donor, Deductions, Credits, and Net Tax on Current Period Gifts—Continued

[All figures are estimates based on a sample—money amounts are in whole dollars]

Tax status and size of taxable gifts, current period	Total taxable gifts, all periods		Tax on current period gifts		Tax on prior taxable gifts		Tax on total taxable gifts	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns	206,182	102,010,749,117	167,145	9,628,435,053	116,490	27,816,318,544	205,279	37,444,753,509
Less than \$2,500	53,287	23,318,738,522	14,250	3,392,800	45,910	8,144,511,243	52,384	8,147,904,018
\$2,500 under \$5,000	7,163	1,379,647,734	7,163	5,651,329	3,476	502,862,883	7,163	508,514,212
\$5,000 under \$10,000	9,463	1,788,027,202	9,463	17,541,445	6,644	587,504,096	9,463	605,045,553
\$10,000 under \$25,000	24,203	4,818,660,265	24,203	96,386,503	13,877	1,542,023,865	24,203	1,638,410,513
\$25,000 under \$50,000	26,721	14,767,624,127	26,721	248,456,700	13,516	5,621,684,928	26,721	5,870,141,608
\$50,000 under \$75,000	15,076	3,736,172,836	15,076	247,935,458	5,786	1,028,068,306	15,076	1,276,003,784
\$75,000 under \$100,000	10,881	3,469,651,693	10,881	253,603,240	3,697	925,726,801	10,881	1,179,330,056
\$100,000 under \$250,000	29,860	12,940,426,942	29,860	1,427,397,645	12,020	3,015,948,782	29,860	4,443,346,077
\$250,000 under \$500,000	16,694	10,722,454,923	16,694	1,911,951,406	6,602	1,802,816,737	16,694	3,714,768,226
\$500,000 under \$1,000,000	10,631	11,013,452,137	10,631	2,677,858,161	3,706	1,303,453,055	10,631	3,981,311,221
\$1,000,000 or more	2,203	14,055,892,737	2,203	2,738,260,366	1,256	3,341,717,848	2,203	6,079,978,241
All nontaxable returns	196,629	68,415,712,874	157,592	6,348,439,878	107,457	17,055,632,560	195,727	23,404,072,401
Less than \$2,500	52,698	22,222,298,659	13,662	3,169,619	45,322	7,716,501,729	51,796	7,719,671,369
\$2,500 under \$5,000	6,872	937,910,812	6,872	5,192,564	3,185	337,131,226	6,872	342,323,790
\$5,000 under \$10,000	9,035	1,037,975,777	9,035	16,241,648	6,216	299,186,698	9,035	315,428,325
\$10,000 under \$25,000	23,538	3,177,633,882	23,538	91,580,635	13,228	880,856,130	23,538	972,436,918
\$25,000 under \$50,000	26,013	13,279,083,619	26,013	237,268,999	12,808	5,044,071,588	26,013	5,281,340,545
\$50,000 under \$75,000	14,440	1,971,542,721	14,440	230,980,355	5,150	324,394,537	14,440	555,374,970
\$75,000 under \$100,000	10,481	2,300,396,307	10,481	238,362,065	3,297	460,653,484	10,481	699,015,571
\$100,000 under \$250,000	28,098	8,420,421,165	28,098	1,303,124,341	10,302	1,304,717,329	28,098	2,607,841,353
\$250,000 under \$500,000	15,518	7,301,489,739	15,518	1,730,962,325	5,429	577,617,297	15,518	2,308,579,702
\$500,000 under \$1,000,000	9,437	7,267,960,170	9,437	2,319,003,121	2,521	110,502,542	9,437	2,429,505,650
\$1,000,000 or more	499	499,000,022	499	172,554,206	0	0	499	172,554,206
All taxable returns	9,553	33,595,036,243	9,553	3,279,995,174	9,033	10,760,685,984	9,553	14,040,681,109
Less than \$2,500	588	1,096,439,863	588	223,181	588	428,009,515	588	428,232,649
\$2,500 under \$5,000	291	441,736,922	291	458,765	291	165,731,657	291	166,190,422
\$5,000 under \$10,000	428	750,051,425	428	1,299,797	428	288,317,398	428	289,617,228
\$10,000 under \$25,000	666	1,641,026,382	666	4,805,868	649	661,167,735	666	665,973,595
\$25,000 under \$50,000	708	1,488,540,508	708	11,187,701	708	577,613,340	708	588,801,063
\$50,000 under \$75,000	636	1,764,630,115	636	16,955,103	636	703,673,769	636	720,628,814
\$75,000 under \$100,000	400	1,169,255,386	400	15,241,175	400	465,073,316	400	480,314,485
\$100,000 under \$250,000	1,762	4,520,005,777	1,762	124,273,305	1,718	1,711,231,453	1,762	1,835,504,725
\$250,000 under \$500,000	1,176	3,420,965,184	1,176	180,989,081	1,173	1,225,199,440	1,176	1,406,188,524
\$500,000 under \$1,000,000	1,193	3,745,491,967	1,193	358,855,040	1,185	1,192,950,513	1,193	1,551,805,571
\$1,000,000 or more	1,704	13,556,892,715	1,704	2,565,706,160	1,256	3,341,717,848	1,704	5,907,424,035

Footnotes at end of table.

2007 Gifts

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Table 1. Gift Tax Returns Filed in 2008: Total Gifts of Donor, Deductions, Credits, and Net Tax on Current Period Gifts—Continued

[All figures are estimates based on a sample—money amounts are in whole dollars]

Tax status and size of taxable gifts, current period	Maximum unified credit		Unified credit previously used		Available unified credit [6]		Specific exemption amount	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns	257,461	88,883,384,204	112,473	12,675,866,562	250,073	76,207,513,353	1,876	9,136,915
Less than \$2,500	104,590	36,144,962,386	44,082	5,570,103,561	102,543	30,574,856,495	1,257	1,940,503
\$2,500 under \$5,000	7,163	2,477,127,926	3,476	240,265,191	6,919	2,236,862,680	*35	*2,264,021
\$5,000 under \$10,000	9,463	3,272,322,690	6,644	379,152,804	9,081	2,893,168,945	*39	*180,674
\$10,000 under \$25,000	24,187	8,363,868,058	13,013	1,023,766,021	23,679	7,340,101,865	*48	*206,017
\$25,000 under \$50,000	26,721	9,240,017,212	13,474	1,242,356,546	26,215	7,997,660,607	*39	*195,451
\$50,000 under \$75,000	15,076	5,161,913,495	4,750	489,456,542	14,608	4,672,456,873	*18	*105,310
\$75,000 under \$100,000	10,881	3,762,677,464	3,736	511,820,891	10,587	3,250,856,509	*26	*82,583
\$100,000 under \$250,000	29,853	10,290,037,803	11,909	1,584,207,899	28,607	8,705,829,566	208	3,329,053
\$250,000 under \$500,000	16,694	5,749,427,353	6,453	887,865,826	16,071	4,861,561,339	98	348,229
\$500,000 under \$1,000,000	10,631	3,660,907,121	3,677	407,925,142	10,189	3,252,981,927	48	226,577
\$1,000,000 or more	2,202	760,122,697	1,259	338,946,137	1,574	421,176,547	59	258,496
All nontaxable returns	247,932	85,598,440,653	103,398	9,830,029,142	246,446	75,768,407,343	1,565	5,592,803
Less than \$2,500	104,002	35,941,607,780	43,494	5,366,810,831	102,515	30,574,794,619	d	d
\$2,500 under \$5,000	6,872	2,376,507,042	3,185	141,797,360	6,872	2,234,709,644	d	d
\$5,000 under \$10,000	9,035	3,124,254,588	6,216	231,128,900	9,035	2,893,124,748	d	d
\$10,000 under \$25,000	23,538	8,139,333,202	12,363	799,767,623	23,538	7,339,565,427	d	d
\$25,000 under \$50,000	26,013	8,995,045,576	12,766	998,766,929	26,013	7,996,278,591	d	d
\$50,000 under \$75,000	14,440	4,941,991,611	4,114	271,337,452	14,440	4,670,654,082	d	d
\$75,000 under \$100,000	10,481	3,624,378,212	3,336	374,963,481	10,481	3,249,414,670	d	d
\$100,000 under \$250,000	28,098	9,687,322,749	10,154	1,001,035,926	28,098	8,686,286,505	d	d
\$250,000 under \$500,000	15,518	5,345,351,093	5,278	534,043,733	15,518	4,811,307,189	d	d
\$500,000 under \$1,000,000	9,437	3,250,094,601	2,493	110,376,907	9,437	3,139,717,669	d	d
\$1,000,000 or more	499	172,554,200	0	0	499	172,554,200	d	d
All taxable returns	9,529	3,284,943,551	9,075	2,845,837,420	3,628	439,106,010	311	3,544,112
Less than \$2,500	588	203,354,606	588	203,292,730	*28	*61,876	d	d
\$2,500 under \$5,000	291	100,620,884	291	98,467,831	*46	*2,153,036	d	d
\$5,000 under \$10,000	428	148,068,102	428	148,023,904	*47	*44,198	d	d
\$10,000 under \$25,000	649	224,534,856	649	223,998,399	141	536,438	d	d
\$25,000 under \$50,000	708	244,971,636	708	243,589,617	202	1,382,016	d	d
\$50,000 under \$75,000	636	219,921,884	636	218,119,090	168	1,802,791	d	d
\$75,000 under \$100,000	400	138,299,252	400	136,857,410	106	1,441,839	d	d
\$100,000 under \$250,000	1,756	602,715,054	1,756	583,171,973	510	19,543,061	d	d
\$250,000 under \$500,000	1,176	404,076,260	1,176	353,822,093	553	50,254,150	d	d
\$500,000 under \$1,000,000	1,193	410,812,521	1,184	297,548,236	752	113,264,258	d	d
\$1,000,000 or more	1,703	587,568,497	1,259	338,946,137	1,075	248,622,347	d	d

Footnotes at end of table.

Table 1. Gift Tax Returns Filed in 2008: Total Gifts of Donor, Deductions, Credits, and Net Tax on Current Period Gifts—Continued

[All figures are estimates based on a sample—money amounts are in whole dollars]

Tax status and size of taxable gifts, current period	Unified credit, applied		Net tax on current period gifts		Generation skipping transfer tax		Total tax [7]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns	161,000	6,784,110,690	9,553	2,843,346,627	207	38,518,872	9,667	2,881,865,538
Less than \$2,500	13,678	3,169,754	588	223,044	0	0	589	223,046
\$2,500 under \$5,000	6,905	5,196,300	291	455,028	0	0	291	455,028
\$5,000 under \$10,000	9,081	16,285,846	428	1,255,599	0	0	428	1,255,599
\$10,000 under \$25,000	23,673	92,090,815	666	4,295,685	0	0	666	4,295,685
\$25,000 under \$50,000	26,196	238,496,408	708	9,960,257	d	d	725	10,114,984
\$50,000 under \$75,000	14,591	232,678,386	636	15,257,069	0	0	636	15,257,069
\$75,000 under \$100,000	10,561	239,721,321	400	13,881,919	d	d	438	15,298,575
\$100,000 under \$250,000	28,559	1,322,424,208	1,762	104,973,387	d	d	1,800	105,914,978
\$250,000 under \$500,000	16,041	1,781,064,356	1,176	130,887,036	d	d	1,197	134,099,930
\$500,000 under \$1,000,000	10,174	2,432,057,748	1,193	245,531,428	d	d	1,193	248,428,671
\$1,000,000 or more	1,540	420,925,549	1,704	2,316,626,174	d	d	1,704	2,346,521,973
All nontaxable returns	157,591	6,348,439,846	0	0	*114	*5,201,245	115	5,201,247
Less than \$2,500	**20,533	**8,362,181	0	0	0	0	d	d
\$2,500 under \$5,000	**	**	0	0	0	0	d	d
\$5,000 under \$10,000	9,035	16,241,648	0	0	0	0	d	d
\$10,000 under \$25,000	23,538	91,580,635	0	0	0	0	d	d
\$25,000 under \$50,000	26,013	237,268,999	0	0	d	d	d	d
\$50,000 under \$75,000	14,440	230,980,355	0	0	0	0	d	d
\$75,000 under \$100,000	10,481	238,362,065	0	0	d	d	d	d
\$100,000 under \$250,000	28,098	1,303,124,313	0	0	d	d	d	d
\$250,000 under \$500,000	15,518	1,730,962,325	0	0	d	d	d	d
\$500,000 under \$1,000,000	9,437	2,319,003,121	0	0	d	d	d	d
\$1,000,000 or more	499	172,554,204	0	0	d	d	d	d
All taxable returns	3,409	435,670,844	9,553	2,843,346,627	93	33,317,627	9,553	2,876,664,290
Less than \$2,500	**50	**3,872	588	223,044	0	0	d	d
\$2,500 under \$5,000	**	**	291	455,028	0	0	d	d
\$5,000 under \$10,000	*47	*44,198	428	1,255,599	0	0	d	d
\$10,000 under \$25,000	136	510,180	666	4,295,685	0	0	d	d
\$25,000 under \$50,000	183	1,227,409	708	9,960,257	d	d	d	d
\$50,000 under \$75,000	151	1,698,031	636	15,257,069	0	0	d	d
\$75,000 under \$100,000	80	1,359,256	400	13,881,919	d	d	d	d
\$100,000 under \$250,000	462	19,299,896	1,762	104,973,387	d	d	d	d
\$250,000 under \$500,000	524	50,102,031	1,176	130,887,036	d	d	d	d
\$500,000 under \$1,000,000	736	113,054,627	1,193	245,531,428	d	d	d	d
\$1,000,000 or more	1,041	248,371,345	1,704	2,316,626,174	d	d	d	d

*Indicates that estimates should be used with caution because of the small number of sample returns on which they were based.

**Indicates that data were combined to prevent disclosure of individual taxpayer data.

d—Data deleted to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] This is the value of total gifts reported by the donor after gifts have been split between the donor and the consenting spouse.

[2] An unlimited marital deduction is available for all outright transfers to a donor's spouse. The deduction is available for gifts to trusts only under limited circumstances.

[3] An unlimited charitable deduction is available for all outright transfers to qualified charities. The deduction is available for gifts to trusts only if the trust meets certain requirements.

[4] This is the amount of taxable gifts (total gifts less exclusions and deductions) for the current year.

[5] This is the amount of taxable gifts (total gifts less exclusions and deductions) for all prior tax years in which the donor transferred property.

[6] This is the value of available unified credit that is applied to the gift tax liability in the current period.

[7] This is the reported value of gift tax on current period gifts.

NOTES: Detail may not add to totals due to rounding, as well as to taxpayer reporting discrepancies and processing tolerances. "Number" shown in Columns 1, 3, 5, etc. refers to the number of returns.