

Split-Interest Trusts, Filing Year 2010

by Lisa Schreiber Rosenmerkel

Form 5227, the *Split-Interest Trust Information Return*, is filed for trusts with both charitable and noncharitable beneficiaries. A Form 5227 must be submitted for each calendar year a split-interest trust is in existence; it must be filed with the Internal Revenue Service (IRS) by April 15 of the year following the calendar year described in the return.¹ Because Form 5227 is an information return, it is used to disclose the financial activities of the trust, but not to calculate tax liability.

A split-interest trust can be created by a will or in a separate trust instrument. In either case, the instrument specifies the term of the trust, designates the trustee(s) and beneficiaries, and provides parameters for managing assets and distributing income. The instrument usually specifies the contents of the trust at the time it is created. The individual who owns, and then transfers, the assets that make up the trust corpus is known as the grantor. The individuals and entities that receive income are known as beneficiaries.

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 instrument and to any applicable laws. Additionally, trustees must coordinate the preparation, verification, and submission of all required State and Federal tax forms.

In Filing Year 2010, some 118,787 Forms 5227 were filed, primarily for Tax Year 2009 (Figure A).^{2,3} There are three distinct types of split-interest trusts: charitable remainder trusts, charitable lead trusts, and pooled income funds. As in prior years, charitable remainder trusts were the most common split-interest

trusts, accounting for 93.2 percent of returns filed in 2010. Under a charitable remainder trust (CRT) agreement, an income stream is distributed annually to one or more noncharitable beneficiaries of the trust for a defined period.^{4,5} At the end of the period, the trust is dissolved, and the remaining assets are distributed to predetermined charitable beneficiaries.⁶ There are two types of charitable remainder trusts. Charitable remainder annuity trusts (CRATs) and charitable remainder unitrusts (CRUTs) are differentiated by the calculation of the noncharitable distribution amount. Charitable remainder annuity trusts annually distribute a fixed percentage, between 5 percent and 50 percent, of the *initial* fair market value of the property in the trust. Charitable remainder unitrusts distribute a fixed percentage of the fair market value of the trust property, *valued annually*. This percentage is called the “unitrust percentage” and must be between 5 percent and 50 percent.

Trustees of charitable lead trusts filed 6,609 returns in Filing Year 2010. Under a charitable lead trust (CLT) agreement, annual distributions are made to a predetermined charitable beneficiary. The amount that a CLT distributes to charity is not constrained by minimum or maximum payout restrictions. At the end of the trust’s predetermined life, the remaining income and assets are distributed to the designated noncharitable beneficiary.

Pooled income funds are the least common type of split-interest trust, with 1,410 returns filed in 2010 (Figure A). Under a pooled income fund (PIF) arrangement, private donors to a charitable organization contribute to a pool of donated assets and, in return, receive income payments for the remainder of the grantors’ lifetimes.⁷ The transfer of assets to the fund must be irrevocable, meaning the assets cannot be removed or replaced with other assets without consent of the beneficiary, in this case the donee charity. The donee charity, commonly a large educational institution, is responsible for the maintenance

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¹ 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.

² A filing year includes all returns submitted to IRS processing between January 1 and December 31.

³ Figure A includes data for six charitable remainder unitrusts otherwise excluded from this article. Data for these outliers are also included in the aggregate tables presented at the conclusion of this article, as well as the online versions. All other figures and calculations in this article exclude data for these six trusts, which accounted for significant proportions of various asset and income categories and distorted the time-series and composition analysis.

⁴ The period may be either a fixed duration, statutorily limited to 20 years, or the lifetime of a noncharitable beneficiary. For more information on the allowable duration of charitable remainder trusts, see Internal Revenue Code sections 664(d)(1)(A) and 664(d)(2)(A).

⁵ In order to qualify as a noncharitable beneficiary, 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).

⁶ The qualifications for a “charitable beneficiary” are detailed in Internal Revenue Code section 170(c).

⁷ Pooled income funds are further discussed under Internal Revenue Code section 642(c)(5).

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Figure A

Split-Interest Trusts, by Type of Trust, Filing Years 2009 and 2010

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

Item	All			Charitable remainder trusts		
	2009	2010	Percent change	2009	2010	Percent change
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	122,541	118,787	-3.1	114,500	110,768	-3.3
Net asset value, end-of-year [1]	123,792,276	119,692,928	-3.3	104,200,449	99,076,810	-4.9
Book value of assets, end-of-year	125,680,010	121,242,163	-3.5	105,577,412	100,188,561	-5.1
Book value of liabilities, end-of-year	1,887,735	1,549,235	-17.9	1,376,963	1,111,751	-19.3

Item	Charitable lead trusts			Pooled income funds		
	2009	2010	Percent change	2009	2010	Percent change
	(7)	(8)	(9)	(10)	(11)	(12)
Number of returns	6,626	6,609	-0.3	1,415	1,410	-0.4
Net asset value, end-of-year [1]	18,274,043	19,338,914	5.8	1,317,783	1,277,204	-3.1
Book value of assets, end-of-year	18,633,726	19,626,345	5.3	1,468,871	1,427,257	-2.8
Book value of liabilities, end-of-year	359,683	287,431	-20.1	151,088	150,053	-0.7

[1] Calculated as the end-of-year book value of assets (Form 5227, Part IV, line 50, column (b)) minus the end-of-year book value of liabilities (line 56, column (b)).

NOTES: Figure A includes data for six charitable remainder unitrusts that otherwise distorted the analysis presented in this article. Data for these trusts also are included in the aggregate tables presented at the conclusion of this article, as well as the online versions. All other figures and calculations in this article exclude data for these six trusts. Detail may not add to totals due to rounding.

of the fund, including investing assets and making distributions to beneficiaries. 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. At the time of the donor's death, the charity receives the grantor's prorated share of the value of the PIF.

Filer Characteristics

In 2010, the majority of returns were filed for ongoing trusts, in neither the first nor last year of existence. Ongoing trusts accounted for 94.5 percent of all Forms 5227 filed in 2010. Just 1.6 percent of the population comprised initial returns, which were filed for newly created trusts, a decrease from 2009. Final returns were more common; in 2010, preparers for terminating trusts filed 4,685 returns, or 3.9 percent of the total population. Of the three types of split-interest trusts (SITs), trustees of charitable lead trusts continued to be the most likely to file both initial and final returns, with returns for ongoing trusts making up only 86 percent of the CLTs filed.

As in previous years, the average lifetime of a split-interest trust that terminated in 2010 was approximately 15 years. Terminating pooled income

funds continued to have the longest average lifetime of all the SIT types, slightly more than 26 years, approximately 5 years longer than terminating pooled income funds in 2009. This extended lifetime could be explained by the institutional structure of PIFs, in which a single charity oversees the assets of multiple donors. Charitable lead trusts terminating in 2010 had an average lifetime of 12 years, a remarkable decrease from the 16-year average lifespan of terminating CLTs in 2009. Charitable remainder unitrusts terminating in Filing Year 2010 had an average lifetime of 14 years. Terminating charitable remainder annuity trusts had an average lifetime of approximately 16 years.

Paid preparers completed 77.1 percent of returns filed in 2010 (Figure B). 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 act 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 56 percent of the returns filed for pooled income funds, 95.3 percent of the PIF returns without a paid preparer indicated the presence of institutional trustees. Returns

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Figure B

Utilization of Paid Preparers and Distribution of Trustee Type, by Type of Trust, Filing Year 2010

[All figures are estimates based on samples]

Preparer status, type of trustee	All	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)	(5)
All returns	118,781	16,937	93,825	6,609	1,410
Paid preparer [1]	91,633	11,231	74,139	5,473	789
Unpaid preparer	27,148	5,705	19,686	1,136	621
Institutional trustee	24,177	5,291	17,372	923	592
Non-institutional trustee	2,971	415	2,314	212	* 29

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

[1] The presence of a paid preparer is indicated on page 6 of Form 5227, *Split-Interest Trust Information Return*.

for CLTs were most likely to be completed by a paid preparer; in 2010, only 17.2 percent of returns filed for CLTs did not utilize a paid preparer.

Income and Deductions

In total, split-interest trust filers reported \$8 billion in gross income, defined as the sum of all income from any source prior to deductions (Figure C).⁸ This is a decline of 35 percent from Filing Year 2010. Charitable remainder unitrusts, which represented the majority of returns filed, also accounted for the highest amount of gross income, \$5.8 billion. However, charitable lead trust filers continued to report the highest average gross income per return. The 6,289

CLT filers reported gross income of \$1.6 billion, or approximately \$260,000 per return. Charitable remainder annuity trust filers reported the lowest average gross income per return, approximately \$26,000.

Charitable remainder trusts that incurred any unrelated business taxable income were also required to file Form 4720, *Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code*.⁹ In Filing Year 2010, filers of 395 charitable remainder trust returns reported unrelated business income (UBI) on Form 5227.¹⁰ This is a remarkable increase over the 147 CRT returns reporting UBI in Filing Year 2009. Nearly 94 percent of those reporting UBI were CRUTs.

Figure C

Gross Income, by Type of Trust, Filing Year 2010

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

Item	All	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)	(5)
Number of returns	118,781	16,937	93,825	6,609	1,410
Number of returns with gross income	113,619	16,577	89,391	6,289	1,361
Amount of gross income reported [1]	7,983,011	432,317	5,843,308	1,635,323	72,063

[1] Gross income of a trust is the sum of income prior to being reduced by deductions.

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

⁸ All dollar amounts presented in this article, as well as the related figures and tables, are in nominal dollars and have not been adjusted for inflation.

⁹ Any income that a charitable remainder trust receives from a trade or business that is not substantially related to its exempt purpose is subject to tax. One example of unrelated business income is debt financed income, which includes dividends from stock purchased through a margin account. For more information, see IRS Publication 598, *Tax on Unrelated Business Income of Exempt Organizations*.

¹⁰ For more information on the amounts reported on Form 4720, *Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code*, please visit the Tax Stats Web site: <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

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Trust income is divided into three income categories for reporting purposes: ordinary income, capital gains, and nontaxable income. The value of all three income categories reported for split-interest trusts fell between Filing Years 2009 and 2010. As in prior years, ordinary income made up the majority of trust income for all trust types (Figure D). Total ordinary income fell by 25.6 percent, from \$5.9 billion to \$4.4 billion in 2010. Dividends and business income continued to be the largest component of ordinary income; however, the aggregate values declined by 29.7 percent between the 2 years. Total capital losses increased significantly, from -\$614.1 million in 2009 to -\$2.9 billion in 2010. Long-term capital losses comprised 87.3 percent of total capital losses. Total nontaxable income declined the least of the income categories, falling 13.3 percent between 2009 and 2010.

Total deductions declined in 2010. Interest and taxes remained the smallest deductions reported for split-interest trusts (Figure D). Trustee fees and other allowable deductions comprised 31.5 percent and 49.9 percent of all deductions, respectively.¹¹

Balance Sheet

Overall, total end-of-year assets, which include cash, receivables, and investments, reported for split-interest trusts declined by 4 percent between 2009 and 2010 (Figure E). Total investments declined by 2.4 percent, to \$96.9 billion in 2010. Corporate stock remained the largest investment category but posted the largest relative decline of all the investment categories, falling 10.4 percent from 2009 to 2010. Corporate bonds and other investments increased between 2009 and 2010, 13.3 and 5.9 percent, respectively.¹²

Figure D

Income and Deductions, Filing Years 2009 and 2010

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

Item	2009	2010	Percent change
	(1)	(2)	(3)
Number of returns	122,535	118,781	-3.1
Total income	5,516,448	1,726,241	-68.7
Total ordinary income	5,918,903	4,401,555	-25.6
Interest income	1,159,453	878,166	-24.3
Dividends and business income (loss)	2,925,243	2,056,087	-29.7
Rents, royalties, partnerships, other estates and trusts, etc.	238,932	216,803	-9.3
Farm income (loss)	* 150	* 215	43.3
Ordinary gain (loss)	-36,510	1,350	-103.7
Other income	1,631,634	1,248,934	-23.5
Total capital gains (losses)	-614,092	-2,858,738	365.5
Total short-term capital gains (losses)	-2,543,286	-364,252	-85.7
Total long-term capital gains (losses)	1,929,195	-2,494,486	-229.3
Total nontaxable income	211,636	183,424	-13.3
Tax-exempt interest	184,471	158,952	-13.8
Other nontaxable income	27,165	24,471	-9.9
Total deductions [1]	1,259,834	932,199	-26.0
Interest	87,299	76,118	-12.8
Taxes	52,980	19,140	-63.9
Trustee fee	308,526	260,709	-15.5
Attorney, accountant, and return preparer fees	88,519	85,796	-3.1
Other allowable deductions	722,510	490,436	-32.1

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

[1] Total deductions includes deductions allocable to income and corpus.

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

¹¹ The other allowable deduction category includes deductible expenses attributable to gross income that cannot be classified as any other specific type of deduction, such as investment advisory funds.

¹² Other investments include all investment holdings that could not be classified as a government obligation, corporate stock, corporate bonds, or land, buildings, and equipment. Examples include obligations issued by foreign governments and shares of hedge funds.

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Figure E

Investment Allocations, by Type of Trust, Filing Years 2009 and 2010

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

Item	All			Charitable remainder annuity trusts			Charitable remainder unitrusts		
	2009	2010	Percent change	2009	2010	Percent change	2009	2010	Percent change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Net value of assets at end-of-year	112,992,039	108,792,757	-3.7	8,139,773	7,494,666	-7.9	85,260,439	80,681,973	-5.4
Total book value of assets at end-of-year	114,879,773	110,341,993	-4.0	8,232,133	7,592,004	-7.8	86,545,042	81,696,387	-5.6
Total investments	99,331,100	96,913,337	-2.4	6,977,811	6,384,845	-8.5	75,744,415	72,576,632	-4.2
U.S. and State government obligations	6,409,166	6,000,320	-6.4	1,006,956	841,659	-16.4	4,640,086	4,473,387	-3.6
Corporate stock	49,148,928	44,022,765	-10.4	3,701,494	3,360,876	-9.2	38,798,487	34,317,430	-11.5
Corporate bonds	8,760,517	9,927,487	13.3	933,412	935,472	0.2	6,730,154	7,303,611	8.5
Land, buildings, and equipment	1,233,968	1,193,502	-3.3	108,707	83,400	-23.3	914,942	901,888	-1.4
Other investments	33,778,521	35,769,263	5.9	1,227,241	1,163,438	-5.2	24,660,746	25,580,315	3.7
Total book value of liabilities at end-of-year	1,887,735	1,549,235	-17.9	92,360	97,338	5.4	1,284,603	1,014,413	-21.0

Item	Charitable lead trusts			Pooled income funds		
	2009	2010	Percent change	2009	2010	Percent change
	(10)	(11)	(12)	(13)	(14)	(15)
Net value of assets at end-of-year	18,274,043	19,338,914	5.8	1,317,783	1,277,204	-3.1
Total book value of assets at end-of-year	18,633,726	19,626,345	5.3	1,468,871	1,427,257	-2.8
Total investments	15,244,402	16,639,780	9.2	1,364,472	1,312,080	-3.8
U.S. and State government obligations	619,023	583,859	-5.7	143,101	101,415	-29.1
Corporate stock	6,286,435	5,781,590	-8.0	362,512	562,868	55.3
Corporate bonds	687,883	1,227,400	78.4	409,068	461,004	12.7
Land, buildings, and equipment	182,174	180,376	-1.0	* 28,145	* 27,838	-1.1
Other investments	7,468,887	8,866,555	18.7	421,647	158,955	-62.3
Total book value of liabilities at end-of-year	359,683	287,431	-20.1	151,088	150,053	-0.7

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

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

The change in total end-of-year assets differs between the different types of split-interest trusts. Trustees of charitable remainder annuity trusts reported the largest decline, 23.3 percent, in the value of land, buildings, and equipment from 2009 to 2010. Unlike other SIT types, charitable lead trusts reported an increase in end-of-year book value of assets, as well as total investments. Most notably, CLTs reported a 78.4-percent increase in corporate bond holdings between the 2 years. Pooled income funds were the only trust type to report an increase in corporate stock holdings between 2009 and 2010. Overall, liabilities continued to decline, falling by 17.9 percent, from \$1.9 billion in 2009 to \$1.5 billion in 2010.

Charitable Distributions

Trustees for all split-interest trusts must report any trust distributions of principal or income for charita-

ble purposes on Form 5227. As in prior years, split-interest trusts made distributions of principal more frequently and in larger dollar amounts than distributions of income. Some 16,777 distributions of principal totaling \$2.2 billion were made to charities in Filing Year 2010 (Figure F). The dollar amount of distributions increased by 45.2 percent between 2009 and 2010, despite a 1.8-percent decline in the number of distributions. Charitable lead trusts continued to make the highest number of distributions of principal, largely due to the annual charitable distributions required by their trust structures. However, charitable remainder trusts distributed the largest dollar amount of principal distributions, \$1.5 billion. This large amount is primarily the result of the final distributions made by charitable remainder trusts at the end of their lifetimes. Final distributions include all assets remaining in the trust and totaled \$1.2 billion,

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Figure F

Charitable Distributions of Principal, by Type of Trust and Charity Type, Filing Year 2010

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

Charity type	All		Charitable remainder annuity trusts		Charitable remainder unitrusts		Charitable lead trusts		Pooled income funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	16,777	2,192,204	1,842	390,394	6,850	1,137,039	7,465	618,481	619	46,290
Arts, culture, and humanities	1,173	77,820	* 84	* 15,191	239	44,652	836	16,892	* 14	* 1,085
Education	3,812	697,056	659	204,748	1,717	423,186	1,193	43,287	243	25,835
Environment, animals	504	93,301	38	418	97	86,906	332	2,627	37	3,349
Health	2,100	203,632	121	24,502	923	163,398	1,020	15,270	36	463
Human services	2,571	145,603	230	5,159	976	97,648	1,312	41,313	53	1,482
International, foreign affairs	165	10,817	0	0	34	9,662	129	663	* 2	* 491
Public, societal benefit	3,089	774,817	379	118,923	1,194	189,758	1,484	457,708	31	8,428
Religion related	2,200	124,546	233	16,587	1,010	82,669	761	20,898	196	4,391
Mutual membership benefit organizations	* 21	* 33	0	0	* 20	* 30	* 1	* 3	0	0
Other	1,142	64,580	* 98	* 4,866	640	39,129	397	19,820	* 8	* 766

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

NOTES: "Number" shown in the heading for columns 1, 3, 5, etc. refers to the number of unique distributions. Detail may not add to totals because of rounding.

or 81.7 percent, of all distributions of principal made by CRTs in Filing Year 2010. As in 2009, education-related charities received the highest number of distributions of principal, some 3,812, or 22.7 percent of total distributions. However, charities related to public or societal benefit received the largest amount of principal distributions, some \$774.8 million or 35.3 percent of the total.

Distributions of income to charity were less frequent and of smaller amounts than those derived from principal. In total, 13,068 distributions of income, totaling \$791.5 million, were made to charitable beneficiaries in 2010, a 23.2-percent decline from 2009 (Figure G). As would be expected given their structures, charitable lead trusts dominated both the number and amount of charitable distribu-

Figure G

Charitable Distributions of Income, by Type of Trust and Charity Type, Filing Year 2010

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

Charity type	All		Charitable remainder annuity trusts		Charitable remainder unitrusts		Charitable lead trusts		Pooled income funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	13,068	791,487	349	5,867	1,532	103,040	10,969	681,678	217	902
Arts, culture, and humanities	1,365	27,891	* 6	* 36	* 121	* 4,938	1,228	22,917	* 10	* [1]
Education	2,956	118,095	123	1,770	508	58,086	2,237	57,669	89	571
Environment, animals	765	31,981	* 3	* 306	* 49	* 21,167	699	10,498	* 14	* 11
Health	1,382	17,993	53	627	* 43	* 564	1,236	16,618	* 49	* 183
Human services	1,896	24,171	71	603	128	510	1,676	23,054	* 21	* 4
International, foreign affairs	185	3,141	* 3	* 86	0	0	181	3,041	* 2	* 13
Public, societal benefit	2,164	520,791	* 57	* 2,043	119	7,137	1,978	511,611	* 10	* 1
Religion related	1,762	21,069	* 25	* 332	447	8,133	1,289	12,546	* 1	* 59
Mutual membership benefit organizations	* 16	* 31	* 3	* [1]	0	0	* 4	* 1	* 10	* 30
Other	576	26,324	* 7	* 65	116	2,507	441	23,723	* 12	* 30

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

[1] Amount less than \$500.

NOTES: "Number" shown in the heading for columns 1, 3, 5, etc. refers to the number of unique distributions. Detail may not add to totals because of rounding.

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tions of income, comprising 83.9 and 86.1 percent, respectively. As with principal distributions, education-oriented charities received the greatest number distributions of income from SITs overall (3 million distributions, or 22.6 percent), while charities organized for public or societal benefit received the greatest dollar amount of income distributions (\$520.8 million, or 65.8 percent).

Noncharitable Distributions

Noncharitable distribution amounts of charitable remainder unitrusts are based on a fixed percentage of the fair market value of the trust property, *valued annually*. This percentage is called the “unitrust percentage” and must be between 5 percent and 50 percent. As in past years, the majority of 2010 filings for CRUTs reported unitrust percentages between 5 and 10 percent (Figure H). Less than 1 percent of filings reported unitrust percentages greater than 20 percent.

In Filing Year 2010, the majority of all CRUT trustees reported calculating noncharitable distributions using the standard structure (Figure I). The standard structure requires trustees to distribute the unitrust amount, calculated as the unitrust percentage multiplied by the net fair market value of assets, to beneficiaries. This ensures the most stable payment for beneficiaries; however, in years of poor investment performance, the trustee may have to liquidate trust assets to make the payment. In addition to the

standard charitable remainder unitrust structure, two common variants allow for added flexibility in meeting the noncharitable distribution requirement. The net income charitable remainder unitrust (NICRUT) variant permits the trustee to distribute only the amount of trust income earned in that year, when that amount is less than the distribution that would otherwise be required.¹³ By allowing the trustee to limit distributions in years when the trust’s income is low, depletion of the trust corpus can be avoided.

Figure H

Charitable Remainder Unitrusts: Reported Unitrust Percentage, Filing Year 2010

[All figures are estimates based on samples]

Unitrust percentage	Number of returns	Percent of total
All returns	93,825	100.0
Invalid unitrust percentage [1]	1,641	1.7
5 percent, under 10 percent	79,828	85.1
5 percent, under 6 percent	19,288	20.6
6 percent, under 7 percent	18,309	19.5
7 percent, under 8 percent	19,202	20.5
8 percent, under 9 percent	18,118	19.3
9 percent, under 10 percent	4,911	5.2
10 percent, under 20 percent	11,815	12.6
20 percent, under 35 percent	448	0.5
35 percent, to 50 percent	94	0.1

[1] In these cases, an invalid unitrust percentage of less than 5 percent or more than 50 percent was reported and could not be reconciled.

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

Figure I

Charitable Remainder Unitrust (CRUT) Structures, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[All figures are estimates based on samples]

Charitable remainder unitrust structure	All		Size of end-of-year book value of total assets					
			Under \$500,000 [1]		\$500,000 under \$3 million		\$3 million or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All CRUTs	93,825	100.0	66,555	100.0	23,889	100.0	3,381	100.0
Standard CRUT	74,343	79.2	53,087	79.8	18,958	79.4	2,298	68.0
Net income CRUT	3,882	4.1	2,940	4.4	822	3.4	120	3.5
Net income with makeup CRUT	15,600	16.6	10,528	15.8	4,109	17.2	963	28.5

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 50, 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.

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

¹³ For more information regarding net income charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(A).

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Only 4.1 percent of CRUTs were identified as NI-CRUTs. The net income with makeup charitable remainder unitrust (NIM-CRUT) variant 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.¹⁴ However, the reductions in required distributions accumulate, and the trustee must make up for previous distribution deficiencies when trust income permits. Approximately 16.6 percent of CRUTs were identified as NIM-CRUTs. As in prior years, CRUTs with \$3 million or more in end-of-year book value assets were more likely than those holding lower value portfolios to be NIM-CRUTs.

The *Current Distributions Schedule* on Schedule A of Form 5227 details current-year noncharitable distributions made by trustees of both CRATs and CRUTs. Overall, the amount of noncharitable distributions declined by 26.7 percent between 2009 and 2010. Long-term capital gains continued to dominate the distributions for both CRATs and CRUTs in 2010 (Figure J). Ordinary income, primarily interest and dividends, was the second most common distribution. Short-term capital gains were the least common distribution made for annuity trusts, while unitrusts were least likely to distribute nontaxable income. Distributions from corpus represented a high-

er percentage of total distributions for CRATs than it did for CRUTs. This may be the result of the strict distribution requirements that typify CRAT agreements. Since the noncharitable distribution amount is fixed throughout the trust's life, trustees may find it necessary to liquidate assets in the corpus to meet the yearly requirement.

Asset Donation

The *Assets and Donor Information* section of Schedule A, Form 5227, details both initial and additional asset contributions to the trust, as well as the date and source of the contribution. In Filing Year 2010, some 2,272 split-interest trust returns reported a total of 7,783 asset contributions (Figure K). Cash and money market accounts comprised the majority of asset contributions. Of the returns that reported asset contributions, 15.2 percent were filed for initial trusts. These initial returns reported 41.2 percent of the total value of all contributions. Bonds were the least common contribution made by initial trusts, making up only 1.9 percent of the total. Ongoing and final trusts comprised 84.8 percent of the returns reporting asset contributions and 58.8 of the total value of all contributions. Approximately 75.8 percent of cash and money market account contributions were reported by ongoing and final returns.

Figure J

Noncharitable Distributions, by Charitable Remainder Trust Type, Filing Year 2010

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

Item	All charitable remainder trusts		Charitable remainder annuity trusts		Charitable remainder unitrusts	
	Number or amount	Percent of total	Number or amount	Percent of total	Number or amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	110,762	N/A	16,937	N/A	93,825	N/A
Total noncharitable distributions [1]	4,811,993	100.0	650,876	100.0	4,161,117	100.0
Ordinary income	1,610,493	33.5	163,173	25.1	1,447,319	34.8
Short-term capital gains (losses)	245,690	5.1	12,253	1.9	233,437	5.6
Long-term capital gains (losses)	2,236,293	46.5	250,794	38.5	1,985,499	47.7
Nontaxable income	83,467	1.7	29,277	4.5	54,190	1.3
Corpus	636,048	13.2	195,378	30.0	440,671	10.6

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

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

¹⁴ For more information regarding net income with makeup charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(B).

Figure K

Asset Contributions, by Filing Status and Asset Type, Filing Year 2010

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

Item	All	Initial trusts	Ongoing and final trusts
	(1)	(2)	(3)
Number of returns	118,781	1,893	116,888
Number of returns with asset contributions	2,272	345	1,927
Number of asset contributions [1]	7,783	3,253	4,531
Amount of total asset contributions	4,661,104	1,921,331	2,739,772
Cash and money market accounts	2,701,540	654,518	2,047,022
Stocks [2]	1,218,708	635,693	583,015
Bonds	56,732	35,904	* 20,828
Real estate [3]	90,055	* 78,336	* 11,718
Other assets [4]	594,069	516,880	77,189

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

[1] Asset contributions are reported on Form 5227, Schedule A, Part III, and include both initial contributions made when the trust is created and additional contributions made during the lifetime of the trust.

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

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

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

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

Data Sources and Limitations

The data presented in this article were collected from a sample of Forms 5227, *Split-Interest Trust Information Returns*, selected during Filing Year 2010. A filing year includes returns received by the IRS for processing between January 1 and December 31 of a given year and primarily comprises returns for the tax year immediately prior. However, it may include late-filed returns for numerous other tax years. For Filing Year 2010, approximately 98.3 percent of returns included in the sample were for Tax Year 2009, while Tax Year 2008 returns comprised 1.3 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 2010, a sample of 11,644 returns was drawn from an estimated population of 119,299. This sample count includes returns that were selected for the sample but later rejected. Returns were 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, chari-

table remainder unitrust, charitable lead trust, or pooled income fund) and the reported end-of-year book value of total assets. Figure L details the sampling strata and rates. The editing process revealed some trusts with incorrect type classifications. In these cases, the trust information was corrected to reflect the correct type. However, the weights used for these trusts were based on the original sample selection classification. The magnitude of sampling error for selected items, measured by coefficients of variation, is shown in Figure M.

All samples were designed to provide reliable estimates of financial activity. All data were collected from original returns as they were filed. All 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, generally were not incorporated. A complete discussion of the reliability of estimates based on samples, methods for evaluating the magnitude of both sampling and nonsampling error, and the precision of the sample estimates can be found in SOI Sampling Methodology and Data Limitations later in this issue of the *SOI Bulletin* or at www.irs.gov/pub/irs-soi/sampling.pdf.

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Figure L

Population, Sample, and Sampling Rates, by Type of Split-Interest Trust and Size of End-of-Year Book Value of Total Assets, Filing Year 2010

Type of trust, item	All	Reported end-of-year book value of total assets [1]		
		Less than \$1 million	\$1 million under \$10 million	\$10 million or more
	(1)	(2)	(3)	(4)
Charitable remainder annuity trusts:				
Population [2]	15,896	14,400	1,435	61
Sample	1,509	885	563	61
Sampling rate (percentage)	9.5	6.1	39.2	100.0
Charitable remainder unitrusts:				
Population [2]	95,381	82,485	12,124	772
Sample	8,863	4,085	4,006	772
Sampling rate (percentage)	9.3	5.0	33.0	100.0
Charitable lead trusts:				
Population [2]	6,600	4,351	1,954	295
Sample	1,025	228	502	295
Sampling rate (percentage)	15.5	5.2	25.7	100.0
Pooled income funds:				
Population [2]	1,422	1,207	189	26
Sample	247	123	98	26
Sampling rate (percentage)	17.4	10.2	51.9	100.0

[1] This is the value that the tax preparer reported on Form 5227, Part IV, line 50, column (b). "Less than \$1 million" includes returns that did not report end-of-year book value of total assets from the balance sheet or that reported the amount as zero.

[2] These population totals include returns that were rejected during the editing process. 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. As a result, these totals may not match totals presented elsewhere in the article.

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Figure M

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 2010

Type of trust, Item	All	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3 million	\$3 million or more
	Coefficient of variation (percentage)			
	(1)	(2)	(3)	(4)
Charitable remainder annuity trusts:				
Number of returns	1.12	1.78	5.41	7.04
Total ordinary income	4.15	12.77	6.13	5.14
Total capital gains	5.26	10.92	9.84	7.59
Total capital losses	17.32	27.32	23.45	35.23
Total nontaxable income	8.09	16.52	11.05	15.70
End-of-year total assets (book value)	1.97	4.00	4.02	3.80
End-of-year total liabilities (book value)	14.06	22.84	25.38	15.83
Charitable remainder unitrusts:				
Number of returns	0.20	0.75	2.02	2.00
Total ordinary income	0.94	7.28	2.42	0.58
Total capital gains	1.84	4.86	3.33	2.77
Total capital losses	2.25	13.63	11.18	1.89
Total nontaxable income	5.07	21.57	6.67	4.41
End-of-year total assets (book value)	0.45	1.48	1.45	0.66
End-of-year total assets (fair market value) [2]	0.54	1.85	1.66	0.70
End-of-year total liabilities (book value)	4.84	10.06	9.85	5.80
Charitable lead trusts:				
Number of returns	0.56	4.43	4.99	4.28
Total ordinary income	2.85	30.59	8.03	1.98
Total capital gains	5.14	27.46	18.33	4.73
Total capital losses	4.67	20.03	11.61	5.54
Total nontaxable income	9.03	60.44	24.61	6.02
End-of-year total assets (book value)	0.90	8.73	3.64	1.27
End-of-year total liabilities (book value)	7.98	39.05	27.91	6.24
Pooled income funds:				
Number of returns	0.10	2.85	12.89	7.12
Total ordinary income	2.51	10.22	9.44	3.32
Total capital gains	16.16	42.89	42.63	19.40
Total capital losses	4.74	36.40	19.70	3.12
Total nontaxable income	61.17	94.77	69.39	N/A
End-of-year total assets (book value)	2.41	9.11	8.66	3.49
End-of-year total liabilities (book value)	3.16	40.36	69.03	0.15

N/A—denotes a coefficient of variation that could not be calculated due to a lack of information.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 50, 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] For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

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Table 1. Charitable Remainder Annuity Trusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	16,937	13,664	1,855	1,073	284	61
Total net income	-82,379	-64,845	-28,567	21,978	12,686	-23,631
Net ordinary income [2]	152,875	29,770	25,643	39,969	28,055	29,438
Total ordinary income	207,041	49,694	34,731	51,692	36,294	34,630
Interest income	65,468	14,409	11,296	13,634	12,491	13,638
Ordinary dividends and business income (loss)	120,286	34,114	21,935	25,922	18,706	19,610
Rents, royalties, partnerships, other estates and trusts, etc.	8,318	-2,915	* 382	5,520	4,262	1,069
Farm income (loss)	* 101	0	0	* 101	0	0
Ordinary gain (loss)	340	* 284	* [3]	* -11	* 67	* [3]
Other income	12,528	3,802	1,118	6,527	767	313
Deductions allocable to ordinary income [4]	54,166	19,924	9,088	11,723	8,238	5,192
Net capital gains (losses) [5]	-261,699	-99,178	-59,329	-24,468	-24,302	-54,421
Total capital gains (losses)	-260,750	-98,819	-59,202	-24,197	-24,143	-54,389
Total short-term capital gains (losses)	-41,345	-7,904	-14,592	-6,421	-5,170	-7,259
Total long-term capital gains (losses)	-219,405	-90,915	-44,610	-17,776	-18,974	-47,131
Deductions allocable to capital gains [4]	949	359	* 128	271	159	* 32
Net nontaxable income [6]	26,445	4,563	5,120	6,477	8,933	1,353
Total nontaxable income	30,905	5,424	6,325	7,522	10,051	1,583
Tax-exempt interest	29,029	4,228	6,064	7,158	9,998	1,580
Other nontaxable income	1,877	1,196	* 260	* 364	* 52	* 3
Deductions allocable to nontaxable income [4]	4,460	861	1,205	1,045	1,118	231
Total deductions [7]	59,972	21,477	10,421	13,105	9,515	5,455
Interest	997	* 246	* 7	318	424	* 2
Taxes	430	69	* 27	256	* 50	28
Trustee fee	33,505	10,462	7,158	7,665	5,653	2,567
Attorney, accountant, and return preparer fees	6,664	3,569	896	1,438	625	136
Other allowable deductions	18,375	7,130	2,332	3,428	2,763	2,721

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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, Section E, line 24b.

[3] Value is less than \$500.

[4] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[5] Taken from Form 5227, Part I, Section E, line 25b.

[6] Taken from Form 5227, Part I, Section E, line 26b.

[7] Taken from Form 5227, Part I, Section D, line 22. Total deductions may not equal the sum of deductions allocable to ordinary income (Section E, line 24a), capital gains (line 25a), and nontaxable income (line 26a). Deductions may also be allocated to corpus, but are not reported on Schedule E and are thus not shown separately in this table.

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

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Table 2. Charitable Remainder Annuity Trusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	16,937	13,664	1,855	1,073	284	61
Total accumulations of income	3,838,322	773,698	507,758	810,215	739,707	1,006,944
Net ordinary income	390,516	65,780	43,057	81,270	108,071	92,338
Net capital gains (losses)	3,283,358	678,328	431,044	699,593	568,474	905,920
Net nontaxable income	164,448	29,590	33,658	29,353	63,162	8,686
Prior-year undistributed income	3,920,701	838,543	536,325	788,237	727,021	1,030,574
Net ordinary income	237,641	36,011	17,414	41,300	80,016	62,900
Net capital gains (losses)	3,545,057	777,506	490,373	724,061	592,776	960,341
Net nontaxable income	138,003	25,026	28,538	22,876	54,229	7,333
Current year net income	-82,379	-64,845	-28,567	21,978	12,686	-23,631
Net ordinary income	152,875	29,770	25,643	39,969	28,055	29,438
Net capital gains (losses)	-261,699	-99,178	-59,329	-24,468	-24,302	-54,421
Net nontaxable income	26,445	4,563	5,120	6,477	8,933	1,353
Distributions of income	458,254	147,069	80,048	93,690	69,019	68,428
Net ordinary income	164,433	41,651	26,871	35,774	27,416	32,723
Net capital gains (losses)	264,544	97,580	45,380	51,547	34,729	35,308
Net nontaxable income	29,277	7,838	7,797	6,369	6,875	* 397
Undistributed at end of year	3,380,068	626,630	427,710	716,525	670,688	938,516
Net ordinary income	226,083	24,130	16,186	45,496	80,656	59,615
Net capital gains (losses)	3,018,814	580,748	385,664	648,046	533,745	870,612
Net nontaxable income	135,171	21,752	25,860	22,983	56,287	8,289

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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.

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

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Table 3. Charitable Remainder Annuity Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	16,937	13,664	1,855	1,073	284	61
Total net assets	7,494,666	1,445,618	1,333,581	1,697,057	1,402,667	1,615,743
Total assets	7,592,004	1,492,906	1,343,554	1,718,463	1,411,370	1,625,710
Cash	133,044	38,008	42,335	22,008	27,484	3,208
Savings and temporary cash investments	659,283	107,429	112,995	154,246	97,452	187,162
Accounts receivable	3,588	757	* 453	1,282	* 25	* 1,072
Receivables due from officers, directors, trustees, etc.	* 8,544	* 65	* 197	* 99	0	* 8,183
Other notes and loans receivable	132,404	21,789	* 15,454	37,708	* 2,416	* 55,036
Inventories for sale or use	* 176	0	0	* 176	0	0
Prepaid expenses and deferred charges	653	* 187	* 65	* 396	* 5	0
Total investments	6,384,845	1,236,581	1,106,981	1,434,503	1,252,462	1,354,317
Securities	5,138,007	970,823	922,133	1,152,844	1,092,992	999,215
Government obligations	841,659	125,170	125,580	203,969	267,579	119,362
Corporate stock	3,360,876	663,148	583,711	727,594	646,213	740,210
Corporate bonds	935,472	182,505	212,843	221,281	179,200	139,644
Land, buildings, and equipment	83,400	* 11,239	* 8,316	40,887	* 17,237	* 5,722
Other investments	1,163,438	254,520	176,532	240,773	142,233	349,381
Charitable purpose land, buildings, and equipment	33,855	* 4,856	0	* 10,723	* 15,022	* 3,254
Other assets	235,611	83,235	65,072	57,322	16,505	* 13,477
Total liabilities	97,338	47,288	9,973	21,406	8,703	9,967
Accounts payable and accrued expenses	14,262	11,613	* 776	1,779	* 2	* 92
Deferred revenue	* 4,737	* 1,599	* [2]	* 3,138	0	0
Loans from officers, directors, trustees, etc.	* 247	* 50	0	* 197	0	0
Mortgages and other notes payable	* 8,367	* 7,806	0	* 379	* 182	0
Other liabilities	69,725	26,220	9,197	15,913	8,519	* 9,875

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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] Value is less than \$500.

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

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Table 4. Charitable Remainder Unitrusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	93,831	66,555	14,431	9,458	2,672	715
Total net income	1,223,057	-312,456	-100,825	-93,609	-103,539	1,833,486
Net ordinary income [2]	2,675,004	253,503	197,876	346,969	278,945	1,597,711
Total ordinary income	3,744,686	391,629	274,989	447,390	362,325	2,268,353
Interest income	748,176	70,288	71,163	111,648	95,558	399,520
Ordinary dividends and business income (loss)	1,424,235	251,766	176,970	273,316	226,049	496,134
Rents, royalties, partnerships, other estates and trusts, etc.	357,550	10,819	11,509	23,214	30,124	281,884
Farm income (loss)	* 31	0	0	* -4	* 35	0
Ordinary gain (loss)	-2,144	-156	325	1,581	2,581	-6,474
Other income	1,216,837	58,911	15,022	37,636	7,979	1,097,289
Deductions allocable to ordinary income [3]	1,069,682	138,126	77,112	100,421	83,381	670,642
Net capital gains (losses) [4]	-1,555,806	-585,661	-312,746	-469,812	-403,293	215,705
Total capital gains (losses)	-665,613	-580,637	-308,018	-466,883	-399,599	1,089,524
Total short-term capital gains (losses)	1,293,974	-74,141	-49,420	-68,414	-102,990	1,588,938
Total long-term capital gains (losses)	-1,959,587	-506,496	-258,598	-398,469	-296,609	-499,415
Deductions allocable to capital gains [3]	890,192	5,023	4,728	2,929	3,694	873,819
Net nontaxable income [5]	103,859	19,702	14,045	29,234	20,808	20,070
Total nontaxable income	124,104	22,249	16,858	35,834	25,233	23,931
Tax-exempt interest	102,075	9,968	14,874	30,033	25,010	22,189
Other nontaxable income	22,030	12,281	1,984	5,801	222	1,741
Deductions allocable to nontaxable income [3]	20,245	2,547	2,813	6,600	4,424	3,861
Total deductions [6]	1,982,230	147,118	85,022	110,174	91,590	1,548,327
Interest	544,823	556	2,770	834	2,098	538,565
Taxes	7,676	1,089	1,323	1,921	1,762	1,581
Trustee fee	196,866	64,098	38,833	46,930	29,035	17,969
Attorney, accountant, and return preparer fees	66,662	27,183	11,042	12,611	10,380	5,447
Other allowable deductions	1,166,202	54,193	31,054	47,877	48,314	984,765

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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, Section E, line 24b.

[3] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[4] Taken from Form 5227, Part I, Section E, line 25b.

[5] Taken from Form 5227, Part I, Section E, line 26b.

[6] Taken from Form 5227, Part I, Section D, line 22. Total deductions may not equal the sum of deductions allocable to ordinary income (Section E, line 24a), capital gains (line 25a), and nontaxable income (line 26a). Deductions may also be allocated to corpus, but are not reported on Schedule E and are thus not shown separately in this table.

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

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Table 5. Charitable Remainder Unitrusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	93,831	66,555	14,431	9,458	2,672	715
Total accumulations of income	70,451,277	6,309,148	5,816,204	9,939,982	10,072,833	38,313,109
Net ordinary income	9,628,145	339,488	272,911	655,439	597,339	7,762,968
Net capital gains (losses)	60,209,824	5,884,322	5,468,702	9,107,341	9,310,176	30,439,282
Net nontaxable income	613,308	85,338	74,592	177,201	165,318	110,859
Prior-year undistributed income	69,228,220	6,621,604	5,917,030	10,033,590	10,176,373	36,479,623
Net ordinary income	6,953,141	85,985	75,035	308,470	318,394	6,165,257
Net capital gains (losses)	61,765,630	6,469,983	5,781,448	9,577,153	9,713,469	30,223,577
Net nontaxable income	509,449	65,636	60,547	147,967	144,510	90,790
Current year net income	1,223,057	-312,456	-100,825	-93,609	-103,539	1,833,486
Net ordinary income	2,675,004	253,503	197,876	346,969	278,945	1,597,711
Net capital gains (losses)	-1,555,806	-585,661	-312,746	-469,812	-403,293	215,705
Net nontaxable income	103,859	19,702	14,045	29,234	20,808	20,070
Distributions of income	4,173,561	664,687	509,554	833,081	737,245	1,428,994
Net ordinary income	1,466,401	262,608	195,413	334,082	273,881	400,418
Net capital gains (losses)	2,651,922	391,882	304,146	483,536	449,959	1,022,399
Net nontaxable income	55,238	10,198	9,995	15,463	13,404	6,178
Undistributed at end of year	66,277,714	5,644,460	5,306,650	9,106,901	9,335,589	36,884,115
Net ordinary income	8,161,744	76,880	77,498	321,358	323,458	7,362,550
Net capital gains (losses)	57,557,901	5,492,440	5,164,555	8,623,805	8,860,217	29,416,884
Net nontaxable income	558,070	75,140	64,597	161,738	151,914	104,681

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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.

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

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Table 6. Charitable Remainder Unitrusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	93,831	66,555	14,431	9,458	2,672	715
Total net assets	91,582,144	11,649,290	10,059,418	15,174,815	13,318,157	41,380,464
Total assets	92,596,557	11,804,343	10,216,633	15,401,653	13,499,450	41,674,479
Cash	1,452,830	243,682	194,136	271,428	222,368	521,215
Savings and temporary cash investments	4,544,505	675,366	701,409	988,732	877,773	1,301,224
Accounts receivable	144,695	17,775	27,803	23,210	33,058	42,849
Receivables due from officers, directors, trustees, etc.	34,809	532	* 3,747	11,476	* 146	* 18,908
Other notes and loans receivable	1,081,634	118,857	178,769	256,958	287,854	239,196
Inventories for sale or use	* 454	0	0	* 454	0	0
Prepaid expenses and deferred charges	4,275	* 1,018	* 321	1,377	764	795
Total investments	83,475,112	10,342,026	8,727,789	13,337,063	11,664,671	39,403,563
Securities	46,094,429	8,232,008	7,038,360	10,505,124	8,563,821	11,755,115
Government obligations	4,473,387	406,724	544,838	992,386	984,107	1,545,331
Corporate stock	34,317,430	6,472,010	5,241,150	7,897,390	6,391,681	8,315,199
Corporate bonds	7,303,611	1,353,273	1,252,371	1,615,348	1,188,033	1,894,586
Land, buildings, and equipment	901,888	112,687	102,910	266,833	197,171	222,287
Other investments	36,478,795	1,997,331	1,586,519	2,565,106	2,903,678	27,426,161
Charitable purpose land, buildings, and equipment	263,685	33,363	* 49,886	113,720	* 43,995	22,722
Other assets	1,594,553	371,719	332,772	397,234	368,821	124,006
Total liabilities	1,014,413	155,052	157,214	226,838	181,293	294,015
Accounts payable and accrued expenses	130,410	21,436	26,704	23,965	32,655	25,651
Deferred revenue	42,027	* 8,382	* 14,100	7,830	* 983	* 10,731
Loans from officers, directors, trustees, etc.	5,381	* 2,322	* 131	2,134	* 209	* 585
Mortgages and other notes payable	82,733	* 646	* 5,381	* 18,120	* 15,939	42,647
Other liabilities	753,861	122,266	110,899	174,789	131,507	214,401

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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.

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

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Table 7. Charitable Remainder Unitrusts: End-of-Year Fair Market Value Asset Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	93,831	66,555	14,431	9,458	2,672	715
Total assets	97,349,477	12,599,136	10,451,861	16,175,035	14,036,848	44,086,597
Cash	1,491,499	255,412	213,572	263,937	221,905	536,673
Savings and temporary cash investments	4,469,666	672,185	668,342	971,523	875,367	1,282,248
Accounts receivable	124,204	17,518	12,307	22,445	31,485	40,449
Receivables due from officers, directors, trustees, etc.	34,189	* 432	* 3,747	10,956	* 146	* 18,908
Other notes and loans receivable	991,673	106,821	151,320	243,867	257,582	232,083
Inventories for sale or use	* 454	0	0	* 454	0	0
Prepaid expenses and deferred charges	4,227	* 1,014	* 321	1,604	* 494	794
Total investments	87,566,574	10,932,285	8,906,601	14,006,887	12,117,583	41,603,218
Securities	50,083,251	8,610,286	7,116,146	10,776,633	8,877,583	14,702,602
Government obligations	4,532,339	408,496	546,089	1,026,693	985,782	1,565,281
Corporate stock	38,345,426	6,840,146	5,319,505	8,133,866	6,690,621	11,361,288
Corporate bonds	7,205,486	1,361,645	1,250,553	1,616,074	1,201,181	1,776,033
Land, buildings, and equipment	1,174,919	270,938	176,856	350,760	218,859	157,507
Other investments	36,308,404	2,051,061	1,613,599	2,879,495	3,021,141	26,743,109
Charitable purpose land, buildings, and equipment	413,434	103,061	* 92,765	147,967	* 45,257	24,385
Other assets	2,253,553	510,407	402,884	505,395	487,030	347,838

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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.

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

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Table 8. Charitable Lead Trusts: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	6,609	2,991	1,314	1,382	629	293
Total income	398,894	1,985	-45,627	-24,999	-44,701	512,235
Total ordinary income	940,244	70,041	31,787	81,593	120,356	636,467
Interest income	193,622	4,540	5,780	14,720	27,599	140,984
Ordinary dividends and business income (loss)	627,825	47,174	18,944	46,107	66,116	449,485
Rents, royalties, partnerships, other estates and trusts, etc.	95,824	14,702	* 5,912	18,394	25,079	31,736
Farm income (loss)	* 403	0	0	0	* 403	0
Ordinary gain (loss)	3,155	* 931	* 94	305	-206	2,032
Other income	19,416	2,694	1,057	2,068	1,366	12,230
Total capital gains (losses)	-569,761	-70,480	-80,769	-110,634	-170,683	-137,194
Total short-term capital gains (losses)	-164,751	-19,753	-23,630	-47,286	-66,260	-7,823
Total long-term capital gains (losses)	-405,009	-50,726	-57,140	-63,348	-104,424	-129,371
Total nontaxable income	28,410	2,424	3,356	4,042	5,626	12,962
Tax-exempt interest	27,845	2,058	3,355	4,042	5,624	12,766
Other nontaxable income	565	* 366	* [2]	* [2]	* 3	* 196

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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] Value is less than \$500.

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

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Table 9. Charitable Lead Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	6,609	2,991	1,314	1,382	629	293
Total net assets	19,338,914	434,253	902,910	2,235,500	3,171,047	12,595,205
Total assets	19,626,345	469,103	926,601	2,261,026	3,210,034	12,759,581
Cash	371,168	30,474	39,411	48,673	88,704	163,907
Savings and temporary cash investments	1,643,697	42,283	52,251	189,935	226,203	1,133,025
Accounts receivable	28,534	* 698	* 4,248	10,320	529	12,739
Receivables due from officers, directors, trustees, etc.	* 60,299	0	0	0	* 32,415	* 27,883
Other notes and loans receivable	194,549	* 716	* 7,756	* 30,477	46,060	109,540
Inventories for sale or use	0	0	0	0	0	0
Prepaid expenses and deferred charges	1,944	* 63	* 372	* 245	* 824	* 439
Total investments	16,639,780	378,728	801,740	1,927,427	2,682,196	10,849,689
Securities	7,592,849	272,500	601,585	1,358,588	1,375,758	3,984,418
Government obligations	583,859	12,152	53,468	97,481	128,421	292,337
Corporate stock	5,781,590	236,831	491,495	1,067,440	967,417	3,018,407
Corporate bonds	1,227,400	23,516	56,622	193,667	279,920	673,674
Land, buildings, and equipment	180,376	* 7,916	* 14,510	* 12,688	* 14,560	130,702
Other investments	8,866,555	98,313	185,645	556,151	1,291,878	6,734,568
Charitable purpose land, buildings, and equipment	* 40,837	0	0	* 10,357	* 11,936	* 18,544
Other assets	645,537	16,142	* 20,822	43,593	121,166	443,814
Total liabilities	287,431	34,850	23,691	25,526	38,988	164,376
Accounts payable and accrued expenses	30,728	* 2,107	* 69	2,279	10,685	15,589
Deferred revenue	* 146	0	0	0	0	* 146
Loans from officers, directors, trustees, etc.	* 1,726	* 831	0	* 896	0	0
Mortgages and other notes payable	39,008	* 2,953	0	* 3,867	* 2,211	29,977
Other liabilities	215,822	28,960	23,622	18,484	26,092	118,664

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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.

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

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Table 10. Pooled Income Funds: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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)
Number of returns	1,410	1,079	118	125	63	25
Total income	-18,965	-2,193	-952	-951	4,904	-19,774
Total ordinary income	61,573	4,602	2,980	8,091	13,188	32,712
Interest income	31,909	1,408	* 824	3,508	6,892	19,278
Ordinary dividends and business income (loss)	27,608	3,177	2,156	4,563	6,294	11,418
Rents, royalties, partnerships, other estates and trusts, etc.	1,903	0	* 1	* 1	0	* 1,901
Farm income (loss)	0	0	0	0	0	0
Ordinary gain (loss)	* [2]	0	* [2]	0	0	0
Other income	154	* 17	0	* 19	* 3	* 115
Total capital gains (losses)	-80,542	-6,796	-3,931	-9,045	-8,284	-52,486
Total short-term capital gains (losses)	-24,972	-283	* -132	-1,392	-3,903	-19,262
Total long-term capital gains (losses)	-55,570	-6,513	-3,799	-7,653	-4,382	-33,224
Total nontaxable income	* 4	* 1	0	* 3	0	0
Tax-exempt interest	* 4	* 1	0	* 3	0	0
Other nontaxable income	0	0	0	0	0	0

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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] Value is less than \$500.

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

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Table 11. Pooled Income Funds: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2010

[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	1,410	1,079	118	125	63	25
Total net assets	1,277,204	122,367	76,313	201,949	337,368	539,207
Total assets	1,427,257	122,601	81,225	203,909	337,875	681,647
Cash	8,175	880	* 253	2,442	* 1,285	3,314
Savings and temporary cash investments	46,236	7,592	* 5,666	7,764	13,531	11,683
Accounts receivable	2,428	* 2	* 38	* 23	* 5	* 2,360
Receivables due from officers, directors, trustees, etc.	0	0	0	0	0	0
Other notes and loans receivable	* 11,368	0	0	* 35	0	* 11,334
Inventories for sale or use	0	0	0	0	0	0
Prepaid expenses and deferred charges	* 52	0	0	0	* 52	0
Total investments	1,312,080	98,003	69,204	177,204	323,002	644,668
Securities	1,125,287	83,689	62,032	149,067	260,796	569,703
Government obligations	101,415	12,664	* 4,205	14,020	17,987	* 52,539
Corporate stock	562,868	34,506	27,040	51,083	99,507	350,733
Corporate bonds	461,004	36,519	* 30,787	83,965	143,302	166,431
Land, buildings, and equipment	* 27,838	0	0	* 43	0	* 27,795
Other investments	158,955	14,313	* 7,172	28,093	62,206	* 47,170
Charitable purpose land, buildings, and equipment	* 8,160	0	0	0	0	* 8,160
Other assets	38,758	16,124	* 6,064	* 16,440	0	* 129
Total liabilities	150,053	234	* 4,913	1,960	* 507	142,440
Accounts payable and accrued expenses	4,555	* 95	* 39	* 146	0	4,275
Deferred revenue	* 113,338	0	* 4,857	* 1,496	0	* 106,985
Loans from officers, directors, trustees, etc.	0	0	0	0	0	0
Mortgages and other notes payable	* 29,988	0	0	0	* 193	* 29,795
Other liabilities	2,173	* 139	* 17	* 319	* 314	1,384

* 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 the end-of-year book value of total assets (Form 5227, Part IV, line 50, 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.

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