

Split-Interest Trusts, Filing Year 2011

by Lisa Schreiber Rosenmerkel

Form 5227, *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.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 from the trust 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 2011, some 117,710 Forms 5227 were filed with the IRS (Figure A).^{2,3} There are three distinct types of split-interest trusts: charitable remainder trusts, charitable lead trusts, and pooled income funds. Charitable remainder trusts continued to be the most common split-interest trusts, accounting for 93.2 percent of returns filed in 2011. 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, which account for 14.5 percent of the CRT population, 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 6,617 returns in Filing Year 2011. 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 1,402 returns filed in 2011 (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 management 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.

Lisa Schreiber Rosenmerkel is an economist with the Special Studies Special Projects Section. This article was prepared under the direction of Melissa Ludlum, Chief.

Filer Characteristics

As in previous years, the majority of returns filed in 2011 were for ongoing trusts, in neither the first nor last year

¹ Split-interest trusts created before May 27, 1969, are exempt from filing 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 the IRS and processed 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 one or more of the following: 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).

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Figure A

Split-Interest Trusts, by Type of Trust, Filing Years 2010 and 2011

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

Item	All			Charitable remainder trusts		
	2010	2011	Percent change	2010	2011	Percent change
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	118,787	117,710	-0.9	110,768	109,691	-1.0
Net book value of assets, end-of-year [1]	119,692,928	116,294,232	-2.8	99,076,810	94,037,740	-5.1
Book value of assets, end-of-year	121,242,163	118,076,041	-2.6	100,188,561	95,325,653	-4.9
Book value of liabilities, end-of-year	1,549,235	1,781,809	15.0	1,111,751	1,287,913	15.8

Item	Charitable lead trusts			Pooled income funds		
	2010	2011	Percent change	2010	2011	Percent change
	(7)	(8)	(9)	(10)	(11)	(12)
Number of returns	6,609	6,617	0.1	1,410	1,402	-0.6
Net book value of assets, end-of-year [1]	19,338,914	20,945,036	8.3	1,277,204	1,311,456	2.7
Book value of assets, end-of-year	19,626,345	21,297,988	8.5	1,427,257	1,452,400	1.8
Book value of liabilities, end-of-year	287,431	352,953	22.8	150,053	140,943	-6.1

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

NOTE: Both filing years in Figure A include 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 existence. Ongoing trusts accounted for 93.8 percent of all Forms 5227 filed. Just 1.8 percent of the population comprised initial returns, which were filed for newly created trusts. Final returns were more common; in 2011, preparers for terminating trusts filed 5,272 returns, or 4.5 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 either an initial or a final return, with returns for ongoing trusts making up 87.1 percent of the CLTs filed.

The average lifetime of a split-interest trust that terminated in 2011 was approximately 13 years, a decline from the previous average of 15 years. As in previous years, terminating pooled income funds continued to have the longest average lifetime of all the SIT types, approximately 18 years. 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 2011 had an average lifetime of nearly 12 years. Charitable remainder unitrusts and charitable remainder annuity trusts terminating in Filing Year 2011 had similar average lifetimes, 13 and 14 years respectively, perhaps because both are likely to terminate with the death of the noncharitable beneficiary.

As in previous years, paid preparers completed the vast majority, 77.7 percent of returns, filed in 2011

(Figure B). Of those returns that did not indicate a paid preparer, 87.0 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 52.5 percent of the returns filed for pooled income funds, 95.2 percent of the PIF returns without a paid preparer indicated the presence of institutional trustees. Returns for CLTs were most likely to be completed by a paid preparer; in 2011, only 15.7 percent of returns filed for CLTs did not utilize a paid preparer.

Income and Deductions

Gross income, defined as the sum of all income from any source prior to deductions, increased sharply in 2011. In total, split-interest trust filers reported \$9.7 billion for 2011, up from \$8.0 billion in 2010 (Figure C).⁸ Charitable remainder unitrusts, which represented the majority of returns filed, also accounted for the highest amount of gross income, nearly \$7.0 billion. Overall, split-interest trusts averaged approximately \$86,000 gross income per return. However, the median value was slightly less than \$10,000, indicating a wide range of reported values. Charitable lead trust filers continued to report the highest average gross income per return. Some 6,274 CLT

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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Figure B

Utilization of Paid Preparers and Distribution of Trustee Type, by Type of Trust, Filing Year 2011

[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	117,704	15,862	93,822	6,617	1,402
Paid preparer [1]	91,404	10,483	74,607	5,579	736
Unpaid preparer	26,300	5,379	19,216	1,038	667
Institutional trustee	22,890	4,928	16,485	842	635
Noninstitutional trustee	3,410	452	2,730	196	* 32

* 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.

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

Figure C

Gross Income, by Type of Trust, Filing Year 2011

[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	117,704	15,862	93,822	6,617	1,402
Number of returns with gross income	112,390	15,540	89,238	6,274	1,337
Amount of gross income reported [1]	9,715,303	709,622	6,973,250	1,928,930	103,500

[1] Gross income is defined as the sum of all income from any source prior to deductions.

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

filers reported gross income of \$1.9 billion, or approximately \$307,000 per return. Charitable remainder annuity trust filers reported the lowest average gross income per return, approximately \$46,000. The median value of gross income reported for CLTs and CRATs was approximately \$47,000 and \$5,000, respectively.

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 2011, filers of 169 charitable remainder trust returns noted unrelated business income (UBI) on Form 5227.¹⁰ More than 97 percent of those reporting UBI were CRUTs.

Income received by trusts 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 rose between Filing Years 2010 and 2011. As in prior years, ordinary income, which includes income that

is not the result of the sale or exchange of a capital asset interest, such as ordinary dividends, made up the majority of trust income for all trust types (Figure D). Total ordinary income rose by 7 percent, from \$4.4 billion to \$4.7 billion in 2011. Dividends and business income continued to be the largest component of ordinary income, increasing by nearly 5 percent between the 2 years. Total capital gains increased significantly, from -\$2.9 billion to \$1.7 billion in 2011. Long-term capital gains made up 99.0 percent of the amount reported. Total nontaxable income was the most stable of the income categories, increasing by only 2.3 percent. Total deductions continued to decline in 2011. Interest and taxes remained the smallest deductions reported for split-interest trusts.

Balance Sheet

Overall, total end-of-year assets, which include cash, receivables, and investments, reported for split-interest trusts increased only slightly, by 0.6 percent, between 2010 and 2011 (Figure E). Total investments increased

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*, visit the Tax Stats Web site: <http://www.irs.gov/Charities-&-Non-Profits/Private-Foundations/Form-4720>.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Figure D

Income and Deductions, Filing Years 2010 and 2011

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

Item	2010	2011	Percent change
	(1)	(2)	(3)
Number of returns	118,781	117,704	-0.9
Total income [1]	1,726,241	6,601,833	282.4
Total ordinary income	4,401,555	4,708,552	7.0
Total capital gains (losses)	-2,858,738	1,705,599	159.7
Total nontaxable income	183,424	187,682	2.3
Total deductions [2]	932,199	862,849	-7.4

[1] Total income is the sum of ordinary income, capital gains, and nontaxable income, prior to any deductions.

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

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

by 0.7 percent, to \$97.6 billion in 2011. Corporate stock remained the largest investment category but posted a decline, falling 1.4 percent from 2010 to 2011. The largest increase was reported for land, buildings, and equipment, which grew 15.8 percent to \$1.4 billion.

The change in total end-of-year assets varied among the different types of split-interest trusts. Trustees of charitable lead trusts reported the largest increase in total investments. In fact, charitable lead trusts accounted for most of the increase in the value of land, buildings, and equipment across all trust types. In contrast, both types of charitable remainder trusts reported some decline in total investments. Pooled income funds reported little change, with total investments increasing by only 0.8 percent. For all split-interest trusts, liabilities increased from \$1.5 billion in 2010 to \$1.8 billion in 2011.

Charitable Distributions

Trustees for all split-interest trusts must report any trust distributions of principal or income for charitable purposes on Form 5227. The details of these charitable distributions, as well as the trust income and asset holdings, are available to the public.¹¹ As in prior years, split-interest trusts made distributions of principal more frequently and in larger dollar amounts than distributions of income. In total, 6,354 split-interest trusts, 5.4 percent of the population, reported distributions of principal to charities. Some 15,233 distributions of principal totaling \$2.3 billion were made to charities in Filing Year 2011 (Figure F).¹² The dollar amount of distributions increased slightly, by 3.6 percent, from 2010. Charitable remainder unitrusts

made both the highest number and largest amount of distributions of principal. This is primarily the result of the final distributions made by charitable remainder trusts at the end of their lifetimes. Final distributions, which include all assets remaining in the trust, totaled \$1.4 billion, or 78.2 percent of all distributions of principal made by CRTs in Filing Year 2011. As in previous years, distributions of income to charity were less frequent and of smaller amounts than those derived from principal. Only 3,054 split-interest trusts reported distributing income to charitable organizations. Trustees made 12,759 distributions of income in 2011 (Figure G). The amount of distributions increased only slightly, by less than 1 percent, to \$793.0 million. As would be expected given their structures, charitable lead trusts dominated both the number and amount of charitable distributions of income. As in previous years, pooled income funds were the least likely to make distributions of income.

Charitable beneficiaries are categorized into the ten major groups based on their institutional purpose and major programs and activities as defined by the National Taxonomy of Exempt Entities (NTEE).¹³ Education-oriented charities received the greatest number of distributions of income and principal from SITs overall. In total, trustees reported 6,275 distinct donations of income and principal to charities whose charitable purpose was related to education, 22.4 percent of the total. Yale University received the highest number of distributions from split-interest trusts of any education-related charity. In total, trusts made 109 distributions to Yale University in Filing Year 2011, for a total of \$8.3 million. Trustees

¹¹ This change effective for Filing Year 2007 forward. The only portion of the Form 5227 not available for public inspection is Schedule A, which includes details of distributions to and donations from individuals and noncharitable entities.

¹² The number of distributions made refers to the number made to unique charities on a given return. If a trust made multiple distributions to a single charity during the course of a tax year, it was counted as a single distribution.

¹³ The National Taxonomy of Exempt Entities (NTEE) was developed by the National Center for Charitable Statistics. For information, see the National Center for Charitable Statistics Web site: www.nccs.urban.org.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Figure E

Investment Allocations, by Type of Trust, Filing Years 2010 and 2011

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

Item	All			Charitable remainder annuity trusts			Charitable remainder unitrusts		
	2010	2011	Percent change	2010	2011	Percent change	2010	2011	Percent change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Net book value of assets, end-of-year	108,792,757	109,460,126	0.6	7,494,666	7,136,591	-4.8	80,681,973	80,067,043	-0.8
Total book value of assets, end-of-year	110,341,993	111,241,936	0.8	7,592,004	7,216,682	-4.9	81,696,387	81,274,866	-0.5
Total investments	96,913,337	97,575,097	0.7	6,384,845	6,013,071	-5.8	72,576,632	72,027,970	-0.8
U.S. and State government obligations	6,000,320	5,791,402	-3.5	841,659	905,774	7.6	4,473,387	4,000,674	-10.6
Corporate stock	44,022,765	43,398,248	-1.4	3,360,876	3,002,368	-10.7	34,317,430	33,059,877	-3.7
Corporate bonds	9,927,487	9,848,241	-0.8	935,472	908,068	-2.9	7,303,611	7,235,666	-0.9
Land, buildings, and equipment	1,193,502	1,382,166	15.8	83,400	76,047	-8.8	901,888	925,885	2.7
Other investments	35,769,263	37,155,040	3.9	1,163,438	1,120,814	-3.7	25,580,315	26,805,868	4.8
Total book value of liabilities, end-of-year	1,549,235	1,781,809	15.0	97,338	80,091	-17.7	1,014,413	1,207,822	19.1

Item	Charitable lead trusts			Pooled income funds		
	2010	2011	Percent change	2010	2011	Percent change
	(10)	(11)	(12)	(13)	(14)	(15)
Net book value of assets, end-of-year	19,338,914	20,945,036	8.3	1,277,204	1,311,456	2.7
Total book value of assets, end-of-year	19,626,345	21,297,988	8.5	1,427,257	1,452,400	1.8
Total investments	16,639,780	18,210,866	9.4	1,312,080	1,323,190	0.8
U.S. and State government obligations	583,859	786,754	34.8	101,415	98,201	-3.2
Corporate stock	5,781,590	6,778,439	17.2	562,868	557,564	-0.9
Corporate bonds	1,227,400	1,220,822	-0.5	461,004	483,685	4.9
Land, buildings, and equipment	180,376	351,862	95.1	* 27,838	* 28,372	1.9
Other investments	8,866,555	9,072,990	2.3	158,955	155,369	-2.3
Total book value of liabilities, end-of-year	287,431	352,953	22.8	150,053	140,943	-6.1

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

Figure F

Charitable Distributions of Principal, by Type of Trust and Charity Type, Filing Year 2011

[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	15,233	2,271,978	1,355	365,033	6,834	1,415,917	6,667	450,861	378	40,167
Arts, culture, and humanities	1,282	127,622	133	68,185	458	49,672	685	9,019	* 6	* 746
Education	3,672	577,110	408	150,049	1,909	344,250	1,152	63,234	204	19,577
Environment, animals	782	19,325	* 65	* 3,215	210	12,271	487	1,899	20	1,941
Health	1,811	244,646	188	43,576	723	190,573	857	9,414	* 43	* 1,084
Human services	2,206	81,327	119	10,689	751	60,590	1,299	8,971	37	1,076
International, foreign affairs	466	16,664	* 97	* 5,916	140	9,797	229	951	0	0
Public, societal benefit	2,519	1,008,847	182	69,577	928	588,770	1,376	338,471	33	12,030
Religion related	2,379	170,293	163	13,827	1,662	138,478	520	14,276	35	3,712
Mutual membership benefit organizations	0	0	0	0	0	0	0	0	0	0
Other	115	26,142	0	0	52	21,516	63	4,626	0	0

* 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 distributions made to unique charities. Multiple distributions made to a single charity by the same trust were counted as a single distribution. Detail may not add to totals because of rounding.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Figure G

Charitable Distributions of Income, by Type of Trust and Charity Type, Filing Year 2011

[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	12,759	793,023	255	17,505	1,640	106,754	10,681	668,358	183	406
Arts, culture, and humanities	1,293	31,137	* 1	* 1	* 40	* 395	1,252	30,740	0	0
Education	2,603	164,762	99	2,134	218	90,179	2,200	72,247	85	202
Environment, animals	1,007	10,823	0	0	* 84	* 2,524	910	8,290	* 13	* 9
Health	1,292	20,171	* 51	* 68	* 9	* 89	1,211	19,882	* 21	* 132
Human services	1,898	18,133	* 13	* 169	* 49	* 621	1,799	17,321	36	22
International, foreign affairs	361	4,364	* 5	* 14	* 6	* 74	350	4,276	0	0
Public, societal benefit	2,061	483,234	55	14,167	97	11,229	1,892	457,815	* 17	* 22
Religion related	1,993	24,603	* 28	* 944	1,086	1,635	879	22,021	* 1	* 2
Mutual membership benefit organizations	* 12	* 21	0	0	0	0	* 1	* 4	* 11	* 17
Other	239	35,775	* 3	* 7	51	6	185	35,762	0	0

* 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 distributions made to unique charities. Multiple distributions made to a single charity by the same trust were counted as a single distribution. Detail may not add to totals because of rounding.

for 85 trusts reported distributions to the President and Fellows of Harvard totaling \$23.8 million, making it the second most frequent recipient.

Charities related to public or societal benefit received the largest amount of distributions of income and principal from split-interest trusts in 2011, \$1.5 billion or 48.7 percent of total distributions. The Walton Family Foundation received the highest dollar amount of any charity in the public or societal benefit category. In fact, the Walton Family Foundation received \$237.6 million from SITs in 2011, the highest amount of any charity in any category.

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 CRUTs filing in 2011 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 2011, the majority of all CRUT trustees reported calculating noncharitable distributions using the standard structure (Figure I). The standard structure requires trustees to distribute to beneficiaries the unitrust amount, calculated as the unitrust percentage multiplied by the net fair market value of assets. 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 (NI-CRUT) variant permits the trustee to distribute only the amount of trust income earned in that year, when that amount is less than

Figure H

Charitable Remainder Unitrusts: Reported Unitrust Percentage, Filing Year 2011

[All figures are estimates based on samples]

Unitrust percentage	Number of returns	Percent of total
All returns	93,822	100.0
Invalid unitrust percentage [1]	1,585	1.7
5 percent under 10 percent	79,764	85.0
5 percent under 6 percent	19,834	21.1
6 percent under 7 percent	18,484	19.7
7 percent under 8 percent	19,016	20.3
8 percent under 9 percent	17,756	18.9
9 percent under 10 percent	4,674	5.0
10 percent under 20 percent	11,970	12.8
20 percent under 35 percent	407	0.4
35 percent to 50 percent	96	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.

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

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Figure I

Charitable Remainder Unitrust (CRUT) Structures, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[All figures are estimates based on samples]

Charitable remainder unitrust structure	All		Size of end-of-year book value of total assets					
	Number of returns	Percent of total	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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All CRUTs	93,822	100.0	67,211	100.0	23,263	100.0	3,349	100.0
Standard CRUT	74,234	79.1	53,795	80.0	18,160	78.1	2,279	68.1
Net income CRUT	3,940	4.2	2,894	4.3	916	3.9	131	3.9
Net income with makeup CRUT	15,648	16.7	10,522	15.7	4,187	18.0	939	28.0

[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.

Figure J

Noncharitable Distributions, by Charitable Remainder Trust Type, Filing Year 2011

[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	109,685	N/A	15,862	N/A	93,822	N/A
Total noncharitable distributions [1]	5,198,500	100.0	604,291	100.0	4,594,210	100.0
Ordinary income	1,732,571	33.3	153,148	25.3	1,579,423	34.4
Short-term capital gains (losses)	330,418	6.4	24,672	4.1	305,746	6.7
Long-term capital gains (losses)	2,339,461	45.0	220,101	36.4	2,119,360	46.1
Nontaxable income	80,445	1.5	28,892	4.8	51,553	1.1
Corpus	715,605	13.8	177,476	29.4	538,129	11.7

N/A—Not applicable.

[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.

the distribution that would otherwise be required.¹⁴ By allowing the trustee to limit distributions in years when the trust's income is low, depletion of the trust corpus can be avoided. Only 4.2 percent of CRUTs were identified as NI-CRUTs. The net income with makeup charitable remainder unitrust (NIM-CRUT) variant works somewhat 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.¹⁵ However, for NIM-CRUTs, any deficits in required distributions accumulate, and the trustee must make up for these deficiencies when trust income permits. Approximately 16.7 percent of CRUTs were identified as NIM-CRUTS. CRUTs with

\$3 million or more in end-of-year book value assets were more likely to be NIM-CRUTs than those holding lower value portfolios.

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 8.0 percent between 2010 and 2011. Long-term capital gains continued to dominate the distributions in 2011 (Figure J). Ordinary income, primarily interest and dividends, was the second most common distribution overall. Short-term capital gains were the least common distribution made for annuity trusts, while unitrusts were

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

¹⁵ For more information regarding net income with makeup charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(B).

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Figure K

Asset Contributions, by Filing Status and Asset Type, Filing Year 2011

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

Item	All (1)	Initial trusts (2)	Ongoing and final trusts (3)
Number of returns	117,704	2,073	115,631
Number of returns with asset contributions	2,161	290	1,872
Number of asset contributions [1]	7,011	2,483	4,529
Total asset contributions	3,004,901	2,364,830	640,071
Cash and money market accounts	1,005,577	805,239	200,338
Stocks [2]	859,339	644,867	214,472
Bonds	85,243	d	d
Real estate [3]	179,057	d	d
Other assets [4]	875,684	711,819	163,865

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

[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.

less likely than annuity trusts to distribute nontaxable income. Distributions from corpus represented a higher percentage of total distributions for CRATs than 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 2011, some 2,161 split-interest trust returns reported a total of 7,011 asset contributions (Figure K). Cash and money market accounts comprised 33.5 percent of the value of all asset contributions. Of the returns that reported asset contributions, 13.4 percent were filed for initial trusts. These initial returns accounted for 78.7 percent of the total value of all contributions. Ongoing and final trusts comprised 86.6 percent of the returns reporting asset contributions but only 21.3 percent of the total value of all contributions. Stocks comprised the largest percentage of contributions reported by non-initial trusts, 33.5 percent of the total value.

Summary

In 2011, some 117,710 *Split-Interest Trust Information Returns* (Form 5227) were filed for charitable remainder trusts, charitable lead trusts, and pooled income funds.

In total, split-interest trust filers reported \$9.7 billion in gross income and \$118.1 billion in end-of-year assets. Corporate stock continued to account for the majority of assets held by split-interest trusts, though its value decreased slightly in 2011. Total income reported on Form 5227 increased to \$6.6 billion in 2011. Trustees of split-interest trusts reported approximately \$3.1 billion in charitable distributions and \$5.2 billion in noncharitable distributions. Split-interest trusts received more than \$3.0 billion in asset contributions throughout the year.

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 2011. 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 2011, approximately 97.6 percent of returns included in the sample were for Tax Year 2010, while Tax Year 2009 returns comprised 1.6 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 2011, a sample of 11,487 returns was drawn from an estimated population of 118,278. This sample count includes returns that were selected for the

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 2011

Type of trust, item	All	Reported size of end-of-year book value of total assets [1]		
		Less than \$1 million	\$1 million under \$10	\$10 million or more
	(1)	(2)	(3)	(4)
Charitable remainder annuity trusts:				
Population [2]	15,137	13,764	1,304	69
Sample	1,419	860	490	69
Sampling rate (percentage)	9.4	6.2	37.6	100.0
Charitable remainder unitrusts:				
Population [2]	95,151	82,484	11,937	730
Sample	8,805	4,091	3,984	730
Sampling rate (percentage)	9.3	5.0	33.4	100.0
Charitable lead trusts:				
Population [2]	6,578	4,286	1,982	310
Sample	1,036	224	502	310
Sampling rate (percentage)	15.7	5.2	25.3	100.0
Pooled income funds:				
Population [2]	1,412	1,207	182	23
Sample	227	114	90	23
Sampling rate (percentage)	16.1	9.4	49.5	100.0

[1] This is the value 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. Often these zero amounts are explained by trusts filing a final return.

[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.

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, charitable 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 data entry 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, and 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 non-sampling 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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

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 2011

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	1.09	1.73	5.62	5.63
Total ordinary income	2.98	6.66	6.08	4.44
Total capital gains	9.91	23.44	13.03	13.46
Total capital losses	9.88	17.75	17.39	18.58
Total nontaxable income	8.16	19.93	12.57	13.10
End-of-year total assets (book value)	1.90	3.95	4.26	3.47
End-of-year total liabilities (book value)	14.75	24.37	31.66	11.23
Charitable remainder unitrusts:				
Number of returns	0.18	0.73	2.04	1.91
Total ordinary income	1.10	2.79	4.04	0.96
Total capital gains	2.80	7.41	6.07	3.47
Total capital losses	1.05	10.19	5.62	0.99
Total nontaxable income	4.79	24.02	5.78	4.48
End-of-year total assets (book value)	0.47	1.49	1.47	0.69
End-of-year total assets (fair market value) [2]	0.53	1.87	1.60	0.70
End-of-year total liabilities (book value)	4.71	10.41	10.14	5.70
Charitable lead trusts:				
Number of returns	0.51	4.71	5.01	3.62
Total ordinary income	2.38	20.02	7.00	2.57
Total capital gains	5.08	24.53	14.95	5.73
Total capital losses	6.15	23.48	15.36	5.44
Total nontaxable income	10.44	57.20	17.92	11.33
End-of-year total assets (book value)	0.86	9.37	3.73	1.21
End-of-year total liabilities (book value)	10.85	37.88	23.46	12.73
Pooled income funds:				
Number of returns	0.72	3.21	13.70	12.57
Total ordinary income	3.50	11.52	10.61	4.68
Total capital gains	12.46	32.31	17.89	18.91
Total capital losses	6.87	41.35	25.16	4.27
Total nontaxable income	62.20	94.44	70.79	N/A
End-of-year total assets (book value)	3.24	9.75	9.35	4.68
End-of-year total liabilities (book value)	1.08	39.19	41.28	0.05

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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 1. Charitable Remainder Annuity Trusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	15,862	12,854	1,652	1,019	275	62
Total net income (loss)	336,554	87,177	38,517	75,818	60,679	74,362
Net ordinary income	168,525	38,332	24,750	36,634	27,903	40,905
Total ordinary income	217,574	54,787	31,807	47,736	36,522	46,722
Interest income	65,338	13,189	10,841	16,284	11,601	13,423
Ordinary dividends and business income (loss)	121,836	32,062	19,165	25,587	20,143	24,879
Rents, royalties, partnerships, other estates and trusts, etc.	10,107	2,171	* 196	2,644	4,202	894
Farm income (loss)	* 65	0	0	* 65	0	0
Ordinary gain (loss)	8,253	* 600	* 386	* -99	* 13	* 7,353
Other income	11,976	6,765	1,220	3,257	562	172
Deductions allocable to ordinary income	49,049	16,454	7,058	11,102	8,619	5,817
Net capital gains (losses)	138,655	43,427	8,078	33,198	24,068	29,884
Total capital gains (losses)	143,563	45,592	9,194	34,196	24,523	30,057
Total short-term capital gains (losses)	28,187	5,389	3,774	6,257	4,365	8,403
Total long-term capital gains (losses)	115,376	40,204	5,420	27,939	20,158	21,655
Deductions allocable to capital gains	4,908	2,165	1,117	998	455	* 173
Net nontaxable income	29,374	5,418	5,690	5,986	8,708	3,573
Total nontaxable income	34,117	6,960	6,350	6,992	9,954	3,860
Tax-exempt interest	33,045	6,214	6,255	6,777	9,938	3,860
Other nontaxable income	1,072	747	* 96	* 214	* 15	0
Deductions allocable to nontaxable income	4,742	1,543	661	1,005	1,246	288
Total deductions [2]	58,841	20,297	8,841	13,106	10,320	6,277
Interest	834	* 9	* 3	357	442	* 22
Taxes	392	73	* 25	93	109	92
Trustee fee	35,163	11,395	5,821	8,190	6,022	3,736
Attorney, accountant, and return preparer fees	7,477	4,659	986	1,104	561	168
Other allowable deductions	14,976	4,161	2,006	3,362	3,187	2,260

* 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 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 Section E and are thus not shown separately in this table.

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

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 2. Charitable Remainder Annuity Trusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	15,862	12,854	1,652	1,019	275	62
Total accumulations of income	3,751,601	734,678	475,703	728,272	776,974	1,035,974
Net ordinary income	488,893	159,102	34,563	83,527	111,361	100,341
Net capital gains (losses)	3,091,968	538,523	411,576	618,252	600,824	922,794
Net nontaxable income	170,740	37,053	29,565	26,494	64,790	12,838
Prior-year undistributed income	3,415,048	647,500	437,186	652,454	716,296	961,611
Net ordinary income	320,368	120,769	* 9,813	46,892	83,457	59,436
Net capital gains (losses)	2,953,313	495,096	403,498	585,054	576,756	892,910
Net nontaxable income	141,366	31,635	23,875	20,508	56,082	9,266
Current year net income	336,554	87,177	38,517	75,818	60,679	74,362
Net ordinary income	168,525	38,332	24,750	36,634	27,903	40,905
Net capital gains (losses)	138,655	43,427	8,078	33,198	24,068	29,884
Net nontaxable income	29,374	5,418	5,690	5,986	8,708	3,573
Distributions of income	444,201	156,934	72,010	89,144	68,169	57,944
Net ordinary income	158,400	43,641	25,476	36,542	23,161	29,579
Net capital gains (losses)	256,910	106,510	37,927	46,542	38,151	27,780
Net nontaxable income	28,892	6,783	8,607	6,060	6,857	* 585
Undistributed at end of year	3,307,399	577,743	403,693	639,128	708,806	978,030
Net ordinary income	330,493	115,461	* 9,086	46,984	88,200	70,762
Net capital gains (losses)	2,835,058	432,012	373,649	571,710	562,673	895,014
Net nontaxable income	141,849	30,270	20,958	20,434	57,933	12,253

* 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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 3. Charitable Remainder Annuity Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	15,862	12,854	1,652	1,019	275	62
Total net assets	7,136,591	1,411,278	1,183,074	1,646,130	1,357,376	1,538,732
Total assets	7,216,682	1,452,139	1,186,319	1,661,794	1,364,350	1,552,080
Cash	210,922	27,198	37,063	34,203	29,301	83,157
Savings and temporary cash investments	522,445	95,714	86,646	128,188	74,623	137,273
Accounts receivable	5,804	2,173	* 1,421	793	* 44	* 1,373
Receivables due from officers, directors, trustees, etc.	* 2,228	* 134	* 482	* 1,612	0	0
Other notes and loans receivable	181,626	24,283	13,079	89,199	* 2,520	* 52,543
Inventories for sale or use	* 236	0	0	* 236	0	0
Prepaid expenses and deferred charges	634	* 23	* 64	* 325	* 204	* 17
Total investments	6,013,071	1,219,836	977,313	1,336,538	1,205,102	1,274,283
Securities	4,816,210	964,954	819,284	1,057,622	1,027,199	947,150
Government obligations	905,774	121,627	132,143	170,758	281,758	199,488
Corporate stock	3,002,368	638,022	530,054	674,169	569,115	591,007
Corporate bonds	908,068	205,305	157,087	212,695	176,326	156,655
Land, buildings, and equipment	76,047	* 12,920	* 8,178	32,468	* 19,420	* 3,060
Other investments	1,120,814	241,961	149,850	246,447	158,482	324,072
Charitable purpose land, buildings, and equipment	18,635	* 1,079	0	* 9,760	* 5,769	* 2,027
Other assets	261,081	81,699	70,251	60,939	46,786	* 1,406
Total liabilities	80,091	40,861	3,245	15,664	6,974	13,348
Accounts payable and accrued expenses	14,008	11,530	* 999	1,337	* 80	* 62
Deferred revenue	* 3,688	* 1,214	0	* 2,474	0	0
Loans from officers, directors, trustees, etc.	* 169	* 45	0	* 124	0	0
Mortgages and other notes payable	* 2,778	* 2,453	0	* 186	* 140	0
Other liabilities	59,448	25,619	2,246	11,543	6,755	13,286

* 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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 4. Charitable Remainder Unitrusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	93,828	67,211	13,897	9,366	2,642	713
Total net income (loss)	1,428,937	414,701	449,187	720,708	749,439	-905,099
Net ordinary income	2,449,660	240,430	223,265	334,584	309,423	1,341,958
Total ordinary income	3,306,425	358,694	293,873	434,819	386,622	1,832,417
Interest income	684,784	64,135	53,806	100,235	87,496	379,111
Ordinary dividends and business income (loss)	1,763,298	256,223	184,804	283,194	256,707	782,371
Rents, royalties, partnerships, other estates and trusts, etc.	-508,613	12,725	8,385	9,245	11,848	-550,815
Farm income (loss)	* 968	0	0	* 871	* 97	0
Ordinary gain (loss)	-1,788	319	42	1,264	-2,196	-1,218
Other income	1,367,777	25,291	46,836	40,011	32,670	1,222,968
Deductions allocable to ordinary income	856,764	118,263	70,608	100,235	77,199	490,459
Net capital gains (losses)	-1,124,546	158,027	212,591	358,900	417,853	-2,271,917
Total capital gains (losses)	-1,056,467	170,764	221,676	369,837	427,060	-2,245,803
Total short-term capital gains (losses)	-2,661,785	51,326	37,162	61,084	29,916	-2,841,274
Total long-term capital gains (losses)	1,605,318	119,437	184,513	308,753	397,143	595,471
Deductions allocable to capital gains	68,079	12,737	9,085	10,938	9,207	26,113
Net nontaxable income	103,823	16,245	13,332	27,224	22,163	24,860
Total nontaxable income	122,251	18,971	16,408	33,307	25,515	28,049
Tax-exempt interest	105,272	10,048	14,032	30,074	24,480	26,638
Other nontaxable income	16,979	8,923	2,376	3,234	1,035	1,412
Deductions allocable to nontaxable income	18,428	2,726	3,077	6,083	3,353	3,190
Total deductions [2]	947,267	135,048	82,864	117,642	91,951	519,762
Interest	7,812	1,338	410	813	1,542	3,709
Taxes	22,723	1,714	451	2,230	1,196	17,132
Trustee fee	194,998	57,375	39,587	49,993	30,177	17,867
Attorney, accountant, and return preparer fees	64,117	26,670	9,970	12,380	9,454	5,643
Other allowable deductions	657,617	47,952	32,446	52,226	49,582	475,411

* 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 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 Section E and are thus not shown separately in this table.

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

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 5. Charitable Remainder Unitrusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	93,828	67,211	13,897	9,366	2,642	713
Total accumulations of income	66,874,320	6,562,773	5,587,020	9,373,165	9,693,887	35,657,476
Net ordinary income	11,297,284	397,763	308,173	614,090	586,669	9,390,588
Net capital gains (losses)	54,898,942	6,067,439	5,187,097	8,567,057	8,947,165	26,130,183
Net nontaxable income	678,095	97,570	91,749	192,018	160,053	136,705
Prior-year undistributed income	65,445,382	6,148,071	5,137,832	8,652,456	8,944,447	36,562,575
Net ordinary income	8,847,623	157,333	84,909	279,505	277,245	8,048,630
Net capital gains (losses)	56,023,487	5,909,413	4,974,506	8,208,157	8,529,312	28,402,100
Net nontaxable income	574,272	81,326	78,417	164,794	137,890	111,846
Current year net income	1,428,937	414,701	449,187	720,708	749,439	-905,099
Net ordinary income	2,449,660	240,430	223,265	334,584	309,423	1,341,958
Net capital gains (losses)	-1,124,546	158,027	212,591	358,900	417,853	-2,271,917
Net nontaxable income	103,823	16,245	13,332	27,224	22,163	24,860
Distributions of income	4,960,413	788,959	569,456	870,196	780,116	1,951,686
Net ordinary income	1,916,050	251,552	222,017	330,642	285,651	826,188
Net capital gains (losses)	2,990,130	526,638	337,268	524,820	482,100	1,119,304
Net nontaxable income	54,232	10,769	10,171	14,734	12,365	6,193
Undistributed at end of year	61,913,907	5,773,813	5,017,564	8,502,969	8,913,771	33,705,790
Net ordinary income	9,381,233	146,211	86,157	283,447	301,018	8,564,400
Net capital gains (losses)	51,908,811	5,540,801	4,849,830	8,042,237	8,465,065	25,010,878
Net nontaxable income	623,863	86,801	81,578	177,284	147,688	130,512

[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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 6. Charitable Remainder Unitrusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	93,828	67,211	13,897	9,366	2,642	713
Total net assets	86,901,148	11,668,938	9,713,830	14,870,406	13,180,605	37,467,369
Total assets	88,108,971	11,821,101	9,863,064	15,115,500	13,418,421	37,890,885
Cash	1,778,276	242,773	180,912	278,310	256,216	820,063
Savings and temporary cash investments	3,999,287	674,147	571,422	855,896	789,228	1,108,594
Accounts receivable	168,995	28,704	37,583	27,096	15,761	59,852
Receivables due from officers, directors, trustees, etc.	20,516	1,752	* 1,055	5,071	* 1,212	* 11,425
Other notes and loans receivable	1,070,238	141,417	171,375	274,881	253,062	229,504
Inventories for sale or use	* 251	0	0	* 251	0	0
Prepaid expenses and deferred charges	27,914	1,346	* 5,391	1,140	1,021	19,017
Total investments	78,861,025	10,318,825	8,527,618	13,164,898	11,550,146	35,299,538
Securities	44,296,217	8,097,135	6,787,221	10,246,326	8,371,439	10,794,096
Government obligations	4,000,674	377,717	507,233	909,386	915,317	1,291,020
Corporate stock	33,059,877	6,345,621	5,074,576	7,703,576	6,262,131	7,673,973
Corporate bonds	7,235,666	1,373,797	1,205,412	1,633,364	1,193,991	1,829,102
Land, buildings, and equipment	925,885	114,505	100,439	303,767	155,765	251,409
Other investments	33,638,923	2,107,184	1,639,958	2,614,806	3,022,942	24,254,033
Charitable purpose land, buildings, and equipment	219,452	28,615	* 32,000	87,214	* 43,547	28,076
Other assets	1,963,011	383,517	335,707	420,741	508,229	314,817
Total liabilities	1,207,822	152,162	149,234	245,094	237,816	423,516
Accounts payable and accrued expenses	135,048	20,382	19,889	27,311	43,702	23,764
Deferred revenue	36,441	* 3,094	* 13,757	8,611	0	* 10,979
Loans from officers, directors, trustees, etc.	3,195	* 119	* 1,018	2,028	0	* 31
Mortgages and other notes payable	89,295	* 2,288	* 5,300	* 11,750	* 18,780	51,177
Other liabilities	943,843	126,280	109,271	195,393	175,335	337,565

* 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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

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 2011

[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	93,828	67,211	13,897	9,366	2,642	713
Total assets	98,256,070	13,419,451	10,858,463	16,603,229	14,685,932	42,688,996
Cash	1,808,512	254,497	191,278	285,547	256,108	821,082
Savings and temporary cash investments	3,978,710	672,910	568,580	847,154	794,354	1,095,712
Accounts receivable	145,234	18,861	27,860	25,977	15,590	56,946
Receivables due from officers, directors, trustees, etc.	20,350	1,666	* 1,055	4,950	* 1,212	* 11,468
Other notes and loans receivable	992,724	134,001	146,373	264,988	220,368	226,995
Inventories for sale or use	* 262	* 0	0	* 262	0	0
Prepaid expenses and deferred charges	27,439	1,334	* 5,391	1,000	705	19,009
Total investments	88,519,004	11,784,079	9,449,105	14,561,138	12,736,674	39,988,007
Securities	49,452,246	9,180,879	7,523,842	11,344,208	9,409,525	11,993,792
Government obligations	4,183,896	393,583	518,776	961,855	956,580	1,353,103
Corporate stock	37,710,726	7,318,496	5,743,041	8,660,215	7,181,927	8,807,046
Corporate bonds	7,557,625	1,468,800	1,262,026	1,722,139	1,271,017	1,833,643
Land, buildings, and equipment	1,249,449	326,370	153,035	393,730	183,492	192,822
Other investments	37,817,309	2,276,830	1,772,228	2,823,199	3,143,658	27,801,393
Charitable purpose land, buildings, and equipment	308,172	60,125	* 70,564	96,066	44,920	36,498
Other assets	2,455,658	491,974	398,257	516,147	616,002	433,278

* 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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 8. Charitable Lead Trusts: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	6,617	2,864	1,436	1,306	706	305
Total income (loss)	969,473	17,037	-13,746	-35,852	155,985	846,049
Total ordinary income	953,844	44,806	33,241	71,494	160,000	644,303
Interest income	198,653	1,882	5,065	11,798	36,953	142,956
Ordinary dividends and business income (loss)	606,192	25,897	20,360	43,388	90,599	425,947
Rents, royalties, partnerships, other estates and trusts, etc.	126,318	16,933	5,525	13,992	30,134	59,734
Farm income (loss)	* 1,577	0	0	0	* 1,577	0
Ordinary gain (loss)	855	* -88	* -78	682	-400	738
Other income	20,250	182	2,369	1,634	1,136	14,928
Total capital gains (losses)	-15,676	-30,892	-48,736	-110,794	-14,606	189,352
Total short-term capital gains (losses)	-59,794	-10,184	-22,157	-50,366	-23,753	46,665
Total long-term capital gains (losses)	44,118	-20,708	-26,579	-60,428	9,147	142,687
Total nontaxable income	31,305	3,123	1,750	3,448	10,591	12,394
Tax-exempt interest	30,525	2,812	1,750	3,448	10,462	12,053
Other nontaxable income	780	* 310	0	* [2]	* 129	* 340

* 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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 9. Charitable Lead Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	6,617	2,864	1,436	1,306	706	305
Total net assets	20,945,036	395,042	984,235	2,159,982	3,726,160	13,679,616
Total assets	21,297,988	432,673	1,002,296	2,192,307	3,807,886	13,862,825
Cash	524,592	34,594	27,414	66,956	184,214	211,414
Savings and temporary cash investments	1,528,995	45,090	52,377	173,087	252,018	1,006,424
Accounts receivable	19,275	* 571	* 3,351	2,773	635	11,945
Receivables due from officers, directors, trustees, etc.	* 69,473	0	* 83	* 6,464	* 18,288	* 44,639
Other notes and loans receivable	307,039	* 988	* 1,673	36,854	45,168	222,356
Inventories for sale or use	0	0	0	0	0	0
Prepaid expenses and deferred charges	3,519	* 40	* 373	* 368	* 1,504	* 1,234
Total investments	18,210,866	333,595	869,519	1,868,078	3,197,531	11,942,144
Securities	8,786,014	225,898	701,468	1,256,549	1,725,795	4,876,303
Government obligations	786,754	19,562	41,376	96,722	142,100	486,994
Corporate stock	6,778,439	178,640	600,189	977,961	1,241,828	3,779,822
Corporate bonds	1,220,822	27,696	59,904	181,867	341,867	609,487
Land, buildings, and equipment	351,862	* 8,073	* 25,540	* 20,561	* 26,289	271,399
Other investments	9,072,990	99,625	142,510	590,968	1,445,446	6,794,441
Charitable purpose land, buildings, and equipment	* 40,507	0	0	* 10,388	* 12,073	* 18,045
Other assets	593,721	17,795	* 47,507	27,342	96,455	404,624
Total liabilities	352,953	37,631	18,061	32,325	81,726	183,208
Accounts payable and accrued expenses	54,407	* 1,963	* 1,756	3,807	10,723	36,157
Deferred revenue	* 35,922	* 585	0	0	* 35,263	* 74
Loans from officers, directors, trustees, etc.	* 1,265	* 241	0	* 1,024	0	0
Mortgages and other notes payable	47,073	* 2,161	* 19	* 4,117	* 2,157	38,619
Other liabilities	214,286	32,680	* 16,286	23,378	33,582	108,359

* 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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 10. Pooled Income Funds: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	1,402	1,070	116	121	71	24
Total income (loss)	3,456	-1,333	-585	1,120	12,169	-7,915
Total ordinary income	58,344	4,687	3,168	7,556	13,531	29,402
Interest income	29,133	1,360	* 634	2,769	7,275	17,095
Ordinary dividends and business income (loss)	29,458	3,313	2,537	4,766	6,249	12,593
Rents, royalties, partnerships, other estates and trusts, etc.	-309	0	* -3	* -3	0	* -303
Farm income (loss)	0	0	0	0	0	0
Ordinary gain (loss)	* [2]	0	* [2]	0	0	0
Other income	63	* 14	0	* 25	* 7	* 17
Total capital gains (losses)	-54,898	-6,021	-3,753	-6,444	-1,362	-37,317
Total short-term capital gains (losses)	-25,922	-275	* -357	-2,471	-2,593	-20,225
Total long-term capital gains (losses)	-28,976	-5,746	-3,396	-3,973	1,231	-17,092
Total nontaxable income	* 10	* 1	0	* 8	0	0
Tax-exempt interest	* 10	* 1	0	* 8	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.

Split-Interest Trusts, Filing Year 2011

Statistics of Income Bulletin | Winter 2013

Table 11. Pooled Income Funds: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2011

[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	1,402	1,070	116	121	71	24
Total net assets	1,311,456	127,767	82,384	192,575	365,321	543,408
Total assets	1,452,400	128,103	82,406	196,215	365,499	680,176
Cash	10,682	964	0	2,156	* 2,705	4,857
Savings and temporary cash investments	48,516	8,383	* 5,511	5,813	16,961	11,848
Accounts receivable	1,228	* 12	* 60	* 9	* 17	* 1,130
Receivables due from officers, directors, trustees, etc.	* 1	0	0	0	* 1	0
Other notes and loans receivable	* 11,451	0	0	* 39	0	* 11,411
Inventories for sale or use	0	0	0	0	0	0
Prepaid expenses and deferred charges	* 250	0	0	0	* 250	0
Total investments	1,323,190	97,435	76,834	176,885	329,254	642,782
Securities	1,139,450	84,020	* 62,460	161,144	266,991	564,835
Government obligations	98,201	8,782	* 2,575	7,513	32,623	* 46,708
Corporate stock	557,564	29,529	* 25,199	57,124	97,109	348,603
Corporate bonds	483,685	45,709	* 34,685	96,507	137,259	169,524
Land, buildings, and equipment	* 28,372	0	0	* 23	0	* 28,349
Other investments	155,369	13,415	* 14,375	15,718	62,264	49,598
Charitable purpose land, buildings, and equipment	* 8,061	0	0	0	0	* 8,061
Other assets	49,020	21,310	0	* 11,313	* 16,311	* 86
Total liabilities	140,943	336	* 22	3,640	* 178	136,767
Accounts payable and accrued expenses	3,752	* 88	* 22	* 138	0	3,505
Deferred revenue	* 104,193	0	0	* 2,948	0	* 101,245
Loans from officers, directors, trustees, etc.	0	0	0	0	0	0
Mortgages and other notes payable	* 29,157	0	0	0	0	* 29,157
Other liabilities	3,841	* 249	0	* 555	* 178	* 2,860

* 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.