

Split-Interest Trusts, Filing Year 2012

by Lisa S. Rosenmerkel

As the name implies, a split-interest trust (SIT) can have both charitable and noncharitable beneficiaries. Preparers file Form 5227, *Split-Interest Trust Information Return*, for each calendar year a split-interest trust exists.¹ Form 5227 is an information return used to disclose the financial activities of the trust, not to calculate tax liability.

A split-interest trust can be created by executing a will or 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 trust's contents when it is created. The individual who owns, and then transfers, the assets that make up the trust corpus is the grantor.² Individuals and entities receiving income and assets from the trust are the beneficiaries.

A trustee holds, invests, and distributes the trust's income and assets. This 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, the trustee coordinates the preparing, verifying, and submitting of all required Federal and State tax forms.

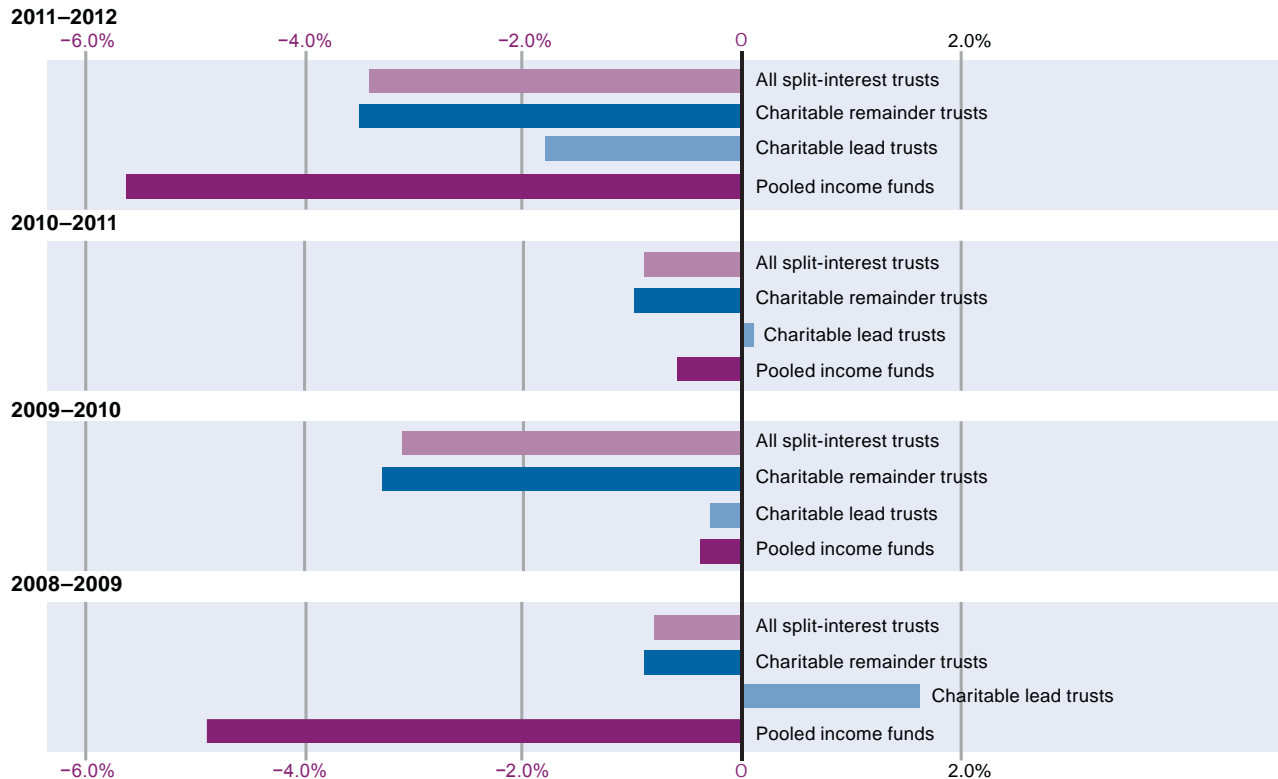
The number of Forms 5227 filed with the IRS has declined consistently in recent years. Preparers filed 113,688 information returns in Filing Year 2012, a 3-percent decline from 2011 (Figure A).^{3,4} Split-interest

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Figure A

Percentage Change in Number of Split-Interest Trust Returns, Filing Years 2008–2012

[All figures are estimates based on samples]



Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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 The corpus (or principal) of a trust consists of the original assets transferred into the trust. Often referred to as the body of the trust, the corpus may generate income streams.

³ A filing year includes all returns submitted to the IRS and processed between January 1 and December 31.

⁴ 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.

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trusts include three distinct types: charitable remainder trusts, charitable lead trusts, and pooled income funds. For 2012, charitable remainder trusts continued to be the most common type of split-interest trust, accounting for 93 percent of returns filed for the year despite a 4.4-percent decline from the number of returns filed in 2011.

Charitable remainder trusts (CRTs) distribute income in a series of fixed payments to one or more noncharitable beneficiaries for a defined period, after which the trust is dissolved and remaining assets transferred to one or more charitable beneficiaries.^{5,6,7} CRTs include two types of trusts: charitable remainder unitrusts (CRUTs) and charitable remainder annuity trusts (CRATs). These differ by how the noncharitable distribution amount is calculated. CRUTs make up the vast majority (80 percent) of charitable remainder trusts. These trusts distribute a fixed percentage of the fair market value of the trust property, valued annually. Called the “unitrust percentage,” this percentage must be between 5 percent and 50 percent of the net fair market value of the trust assets.⁸ The number of CRUT returns filed declined by nearly 3 percent (from 93,822 to 91,244) between 2011 and 2012.

In comparison, CRATs account for less than 14 percent of the CRT population. These trusts also distribute a fixed percentage between 5 percent and 50 percent annually. However, the percentage is based on the fair market value of the property on the date the trust was funded. The number of CRAT returns declined from 15,862 to 14,616 between 2011 and 2012.

Unlike CRTs, annual distributions under charitable lead trusts (CLTs) are not constrained by minimum or maximum payout restrictions. CLTs distribute a fixed annual payment to a predetermined charitable beneficiary for a set time, after which the remaining trust assets are transferred to a noncharitable beneficiary. These trusts made up about 6 percent of all split-interest trusts in 2012. Trustees of CLTs filed 6,498 returns for the year, a decline of only 1.8 percent from the number filed for Filing Year 2011.

Pooled income funds (PIFs) are the least common split-interest trust, accounting for less than 2 percent of all Forms 5227 filed in 2012. The number of PIF returns declined to 1,324 returns in 2012, down nearly 6 percent from the previous year. Under a pooled income fund arrangement, private donors pool their assets to

contribute to a charitable organization and, in return, receive income payments for the remainder of the grantors' lifetimes.⁹ Assets transferred to the fund are irrevocable, meaning they cannot be removed from the trust or replaced with other assets without the beneficiary's consent, in this case, the donee charity. The donee charity, commonly a large educational institution, is responsible for managing 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 return on fund assets for that year. At the time of the donor's death, the charity receives the grantor's prorated share of the PIF's value.

Filer Characteristics

Consistent with previous years, in 2012, ongoing trusts—those in neither the first nor last year of existence—filed the majority of Forms 5227 (93.8 percent). The Forms 5227 population for the year included slightly more initial returns than in 2011; however, only 2 percent of the current-year population included returns filed for newly created trusts. Final returns were more common, and in 2012, preparers for terminating trusts filed 4,768 returns, accounting for over 4 percent of the total population. Charitable lead trusts were the most dynamic in 2012, with larger percentages of initial filings (7 percent) and terminations (6 percent), compared to any other split-interest trust.

The average lifespan of a SIT terminating in Filing Year 2012 was approximately 15 years. Terminating trusts for each of the SIT types in 2012 had longer lifespans than those terminating in 2011. A potential explanation could be the decline of new trust formation. Each year, fewer trusts are created, and as a result, the average age of existing trusts, including those terminating during the year, increases. Terminating PIFs had the longest average lifespan of all SIT types, followed by CRATs, CRUTs, and CLTs. Pooled income funds tend to have extended lifespans due to their institutional structure, in which a single charity oversees the assets of multiple donors. However, the 2012 average lifespan of 36 years was far higher than in previous filing years. In comparison, CRATs (15 years) and CRUTs (14 years) terminating in Filing Year 2012 had similar average lifespans perhaps

⁵ 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).

⁶ 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).

⁷ The qualifications for a “charitable beneficiary” are detailed in Internal Revenue Code section 170(c).

⁸ The date of valuation for charitable remainder unitrusts is determined at the time of creation and is noted in the trust document. It can be any day of the year but must remain consistent throughout the life of the trust.

⁹ Pooled income funds are further discussed under Internal Revenue Code section 642(c)(5).

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because both types of charitable remainder trusts are likely to terminate at the death of a noncharitable beneficiary. CLTs terminating in 2012 had an average lifespan of more than 13 years.

As in previous years, paid preparers completed the majority (78 percent) of returns filed in 2012 (Figure B). For returns that did not indicate a paid preparer, nearly 87 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 form. For example, while paid preparers completed about 53 percent of the returns filed for PIFs, 95 percent of these returns without a paid preparer's signature indicated the presence of institutional trustees. Returns for CLTs were most likely to be completed by a paid preparer in 2012; only 18 percent of returns filed for this trust type did not utilize a paid preparer.

Income and Deductions

In total, Form 5227 filers reported \$11.7 billion in gross income for 2012, a sharp increase (up 20.6 percent) from \$9.7 billion reported in 2011 (Figure C).¹⁰ The gross income for a trust fund equals the sum of all income received from any source before deductions. The average gross income for split-interest trusts was approximately \$108,000 per return, an increase of 26 percent over the prior year. The median value was approximately \$12,000 per return, indicating a wide range of reported values.

CRUTs represented the majority of returns filed, accounting for the highest amount of gross income (nearly \$8.2 billion). However, trustees for CRUTs reported the lowest average gross income (approximately \$37,000) and median value (\$6,000) per return. In contrast, 6,178 charitable lead trust filers reported a combined gross income of \$2.9 billion and the highest average gross income (approximately \$474,000) and median value

Figure B

Utilization of Paid Preparers and Distribution of Trustee Type, by Type of Split-Interest Trust, Filing Year 2012

[All figures are estimates based on samples]

Preparer status, type of trustee	All split-interest trusts	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)	(5)
All returns	113,682	14,616	91,244	6,498	1,324
Paid preparer [1]	88,971	9,793	73,121	5,357	701
Unpaid preparer	24,711	4,823	18,123	1,141	624
Noninstitutional trustee	3,271	388	2,583	269	* 31
Institutional trustee	21,440	4,436	15,540	872	592

* 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.

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

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

Figure C

Gross Income, by Type of Split-Interest Trust, Filing Year 2012

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

Item	All split-interest trusts	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)	(5)
Number of returns	113,682	14,616	91,244	6,498	1,324
Number of returns with gross income	108,317	14,240	86,609	6,178	1,290
Amount of gross income reported [1]	11,729,501	526,173	8,181,136	2,926,201	95,990

[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.

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

¹⁰ 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.

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(\$57,000) per return. Trustees for pooled income funds reported an average gross income of \$74,000 per return, with a median value of \$8,000 per return.

A trust may incur unrelated business taxable income (UBTI) when it receives income from a trade or business that it conducts regularly, but is not substantially related to the trust's tax-exempt purpose.¹¹ Charitable remainder trusts with UBTI also file Form 4720, *Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code*. In Filing Year 2012, nearly 400 filers of CRT returns reported UBTI on Form 5227, which was more than double the number in 2011.¹² CRUTs made up more than 91 percent of charitable remainder trusts reporting UBTI for the year.

For reporting purposes, three categories make up a split-interest trust's income: ordinary income, capital gains, and nontaxable income. As in prior years, ordinary income made up the majority of trust income for all trust types (Figure D). Ordinary income includes income that does not result from the sale or exchange of capital asset interest, such as ordinary dividends. Total ordinary income rose by more than 1 percent in 2012, from \$4.7 billion to \$4.8 billion. Dividends and business income continued to be the largest component of ordinary income, increasing by 13 percent between the two years. Likewise, total capital gains increased between 2011 and 2012, more than doubling to \$4.0 billion in 2012. While trusts reported short-term losses of \$274 million, these did not offset the reported long-term

gains of more than \$4 billion. The smallest component of income, total nontaxable income, declined 12 percent between 2011 and 2012. Total nontaxable income includes interest earned on investments in State or local government bonds. In comparison, total deductions increased 13 percent, or \$113.0 million, in 2012. Interest and taxes remained the smallest deductions reported for SITs, although both categories reported marked increases over the prior-year values.

Balance Sheet

Overall, total end-of-year assets reported for SITs increased by less than 1 percent between 2011 and 2012. A trust's total end-of-year assets include cash, receivables, and investments. Total investments continued to make up the majority of assets, increasing more than 1 percent, from \$97.6 billion in 2011 to \$98.7 billion in 2012. This growth was attributed entirely to a nearly \$2.7-billion increase in other investments (Figure E). Other investments was the only category that increased in 2012 and prior years. These include annuities, bonds issued by foreign governments, hedge funds, and venture capital investments. The value of all remaining investment categories declined during the year. While corporate stock remained the largest investment category, it posted a decline, falling more than 1 percent from 2011 to 2012. Investments in land, buildings, and equipment showed the largest decrease, falling 11 percent between the two years. Federal and State Government obligations also decreased nearly 11 percent.

The change in total end-of-year assets varied by type of split-interest trust. Trustees of charitable lead trusts reported the only increase in total assets and total investments. However, land, buildings, and equipment and government obligations declined. Charitable remainder annuity trusts reported the largest decline of all SIT types for both total assets (down 9.6 percent) and investments (down 6.3 percent). Total investments held by pooled income funds declined 1 percent. In contrast, liabilities for all SITs increased 24 percent, from \$1.8 billion in 2011 to \$2.2 billion in 2012.

Charitable Distributions

Trustees for all split-interest trusts must report any distributions of trust principal or income for charitable purposes on Form 5227. The details of these charitable distributions, as well as of the trusts' income and asset

Figure D

Income and Deductions of Split-Interest Trusts, Filing Years 2011 and 2012

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

Item	2011	2012	Percentage change
	(1)	(2)	(3)
Number of returns	117,704	113,682	-3.4
Total income [1]	6,601,833	8,978,139	36.0
Total ordinary income	4,708,552	4,776,257	1.4
Total capital gains (losses)	1,705,599	4,036,028	136.6
Total nontaxable income	187,682	165,854	-11.6
Total deductions [2]	862,849	975,827	13.1

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

[2] Total deductions includes deductions allocable to income and corpus (i.e., the principal of the trust).

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

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

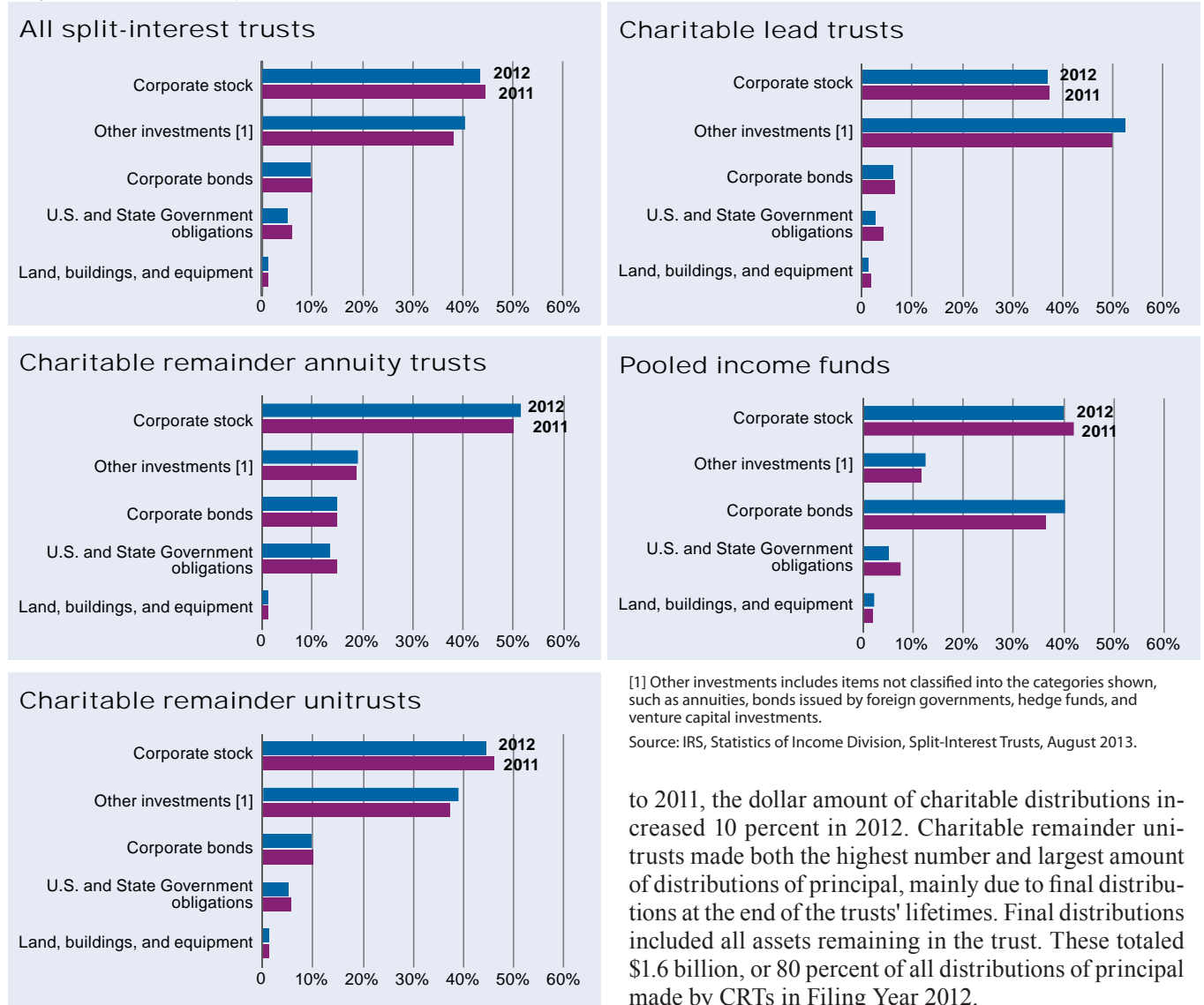
¹¹ Any income that a charitable remainder trust receives from a trade or business that is not substantially related to its exempt purpose is subject to tax. One example of unrelated business income is debt-financed income, which includes dividends from stock purchased through a margin account. For more information, see IRS Publication 598, *Tax on Unrelated Business Income of Exempt Organizations*.

¹² 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 Website: <http://www.irs.gov/Charities-&-Non-Profits/Private-Foundations/Form-4720>.

Figure E

Investment Allocations, by Type of Split-Interest Trust, Filing Years 2011 and 2012

[All figures are estimates based on samples]



[1] Other investments includes items not classified into the categories shown, such as annuities, bonds issued by foreign governments, hedge funds, and venture capital investments.

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

holdings, are available to the public.¹³ SITs made distributions of principal more frequently and in larger dollar amounts than distributions of income, as in prior years. In total, 6,175 SITs, more than 5 percent of the filing population, reported distributions of principal to charities. SITs made 16,500 distributions of principal totaling \$2.5 billion to charities in Filing Year 2012.¹⁴ Compared

to 2011, the dollar amount of charitable distributions increased 10 percent in 2012. Charitable remainder unitrusts made both the highest number and largest amount of distributions of principal, mainly due to final distributions at the end of the trusts' lifetimes. Final distributions included all assets remaining in the trust. These totaled \$1.6 billion, or 80 percent of all distributions of principal made by CRTs in Filing Year 2012.

As in previous years, distributions of income to charities were less frequent and of smaller amounts than those derived from principal. Only 3,956 split-interest trusts reported distributing income to charitable organizations. Trustees made 15,580 distributions of income in 2012. The amount of distributions more than doubled between 2011 and 2012 to \$1.8 billion. As would be expected given their structures, charitable lead trusts dominated both the number and amount of charitable distributions of income.

¹³ This change was 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.

¹⁴ 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 tax year, the distributions were counted as a single distribution.

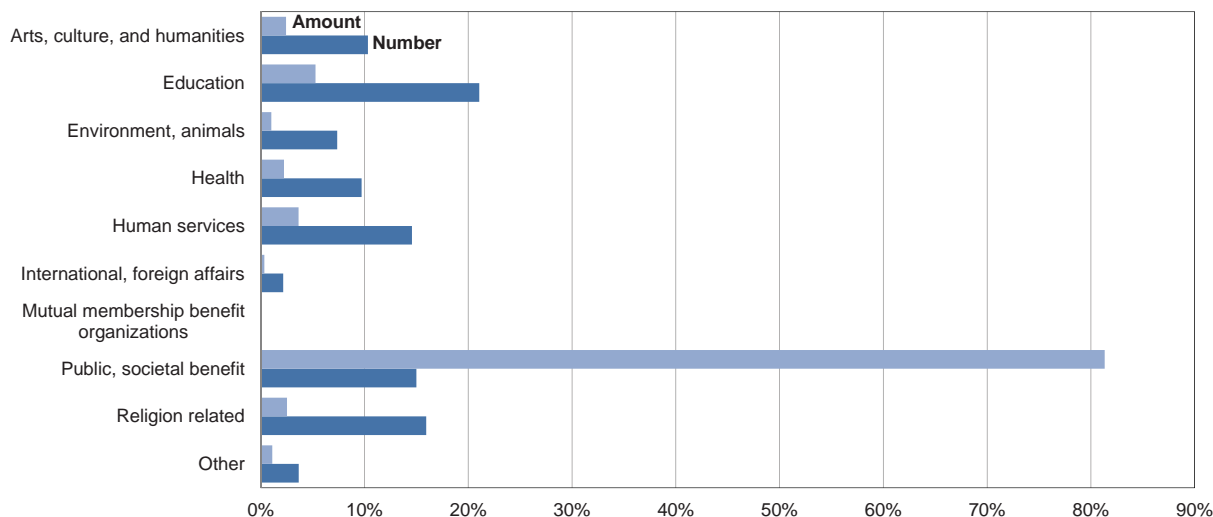
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Figure F

Split-Interest Trust Charitable Distributions of Income, by Purpose, Filing Year 2012

[All figures are estimates based on samples]



Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

Pooled income funds were the least likely to make distributions of income.

SOI categorizes charitable beneficiaries into 10 major groups based on their institutional purpose and major programs and activities as defined by the National Taxonomy of Exempt Entities (NTEE).¹⁵ Charities whose missions benefit the public or society received the largest amount (\$2.5 billion or 59 percent) and the greatest number (5,126) of distributions of income and principal from split-interest trusts in 2012 (Figures F, G). As in 2011, the Walton Family Foundation received the highest dollar amount of any charity in the public or societal benefit category. This Foundation received \$816.5 million from split-interest trusts in 2012, the highest amount of any charity in any category.

Education-oriented charities were second in both the number and amount of distributions of income and principal from SITs overall (Figure G). In total, trustees reported 7,463 distinct donations of income and principal to charities whose charitable purpose was related to education, 20 percent of the total. The North Carolina State University Foundation received the highest dollar amount of any education-related charity, or approximately \$225.6

million in 2012. As with 2011, Yale University received the largest number of distributions (108) from SITs of any education-related charity in Filing Year 2012, for a total of \$15.5 million.

Noncharitable Distributions

Unlike charitable remainder annuity trusts, noncharitable distribution amounts of charitable remainder unitrusts are based on a fixed percentage of the fair market value of the trust property, valued annually. Called the “unitrust percentage,” this percentage must be between 5 percent and 50 percent. As in past years, the majority of CRUTs filing in 2012 reported unitrust percentages between 5 and 10 percent (Figure H). Less than 1 percent of filings reported unitrust percentages greater than 20 percent although an additional 1.6 percent of filings reported an interest percentage of less than 5 percent or greater than 50 percent.

Trustees of CRUTs can select one of three structures for calculating noncharitable distributions. In Filing Year 2012, the majority of all CRUT trustees reported using the standard structure (Figure I). The standard structure requires trustees to distribute the unitrust amount to

¹⁵ 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 Website: www.nccs.urban.org.

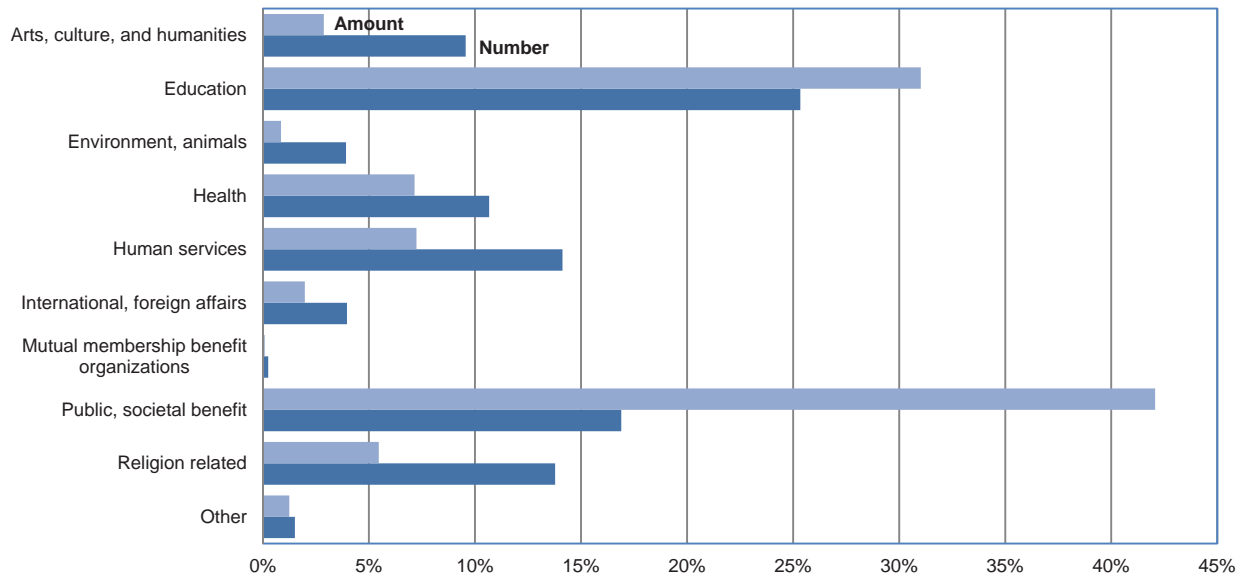
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Figure G

Split-Interest Trust Distributions of Principal, by Purpose, Filing Year 2012

[All figures are estimates based on samples]



Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

Figure H

Charitable Remainder Unitrusts: Reported Unitrust Percentage, Filing Year 2012

[All figures are estimates based on samples]

Unitrust percentage	Number of returns	Percent of total
All returns	91,250	100.0
5 percent, under 10 percent	77,980	85.5
5 percent, under 6 percent	20,033	22.0
6 percent, under 7 percent	18,169	19.9
7 percent, under 8 percent	18,094	19.8
8 percent, under 9 percent	16,875	18.5
9 percent, under 10 percent	4,809	5.3
10 percent, under 20 percent	11,274	12.4
20 percent, under 35 percent	367	0.4
35 percent, under 50 percent	129	0.1
Other unitrust percentage [1]	1,500	1.6

[1] Includes returns for which the unitrust percentage was reported as less than 5 percent or greater than 50 percent.

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

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

beneficiaries. This amount is calculated as the unitrust percentage multiplied by the net fair market value of assets and 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

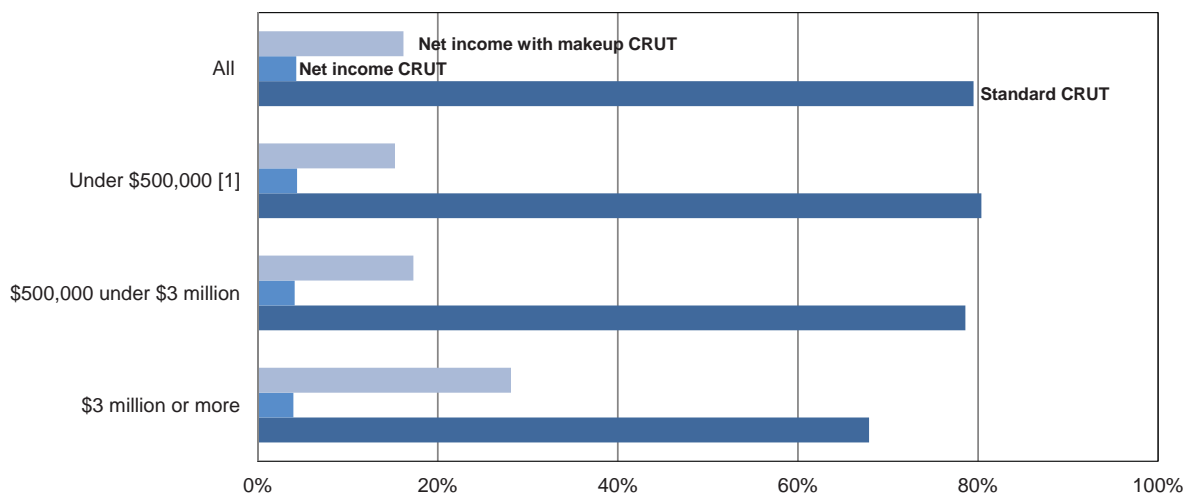
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Figure I

Percentage Distribution of Charitable Remainder Unitrust (CRUT) Structures, by Size of End-of-Year Book Value of Total Assets, Filing Year 2012

[All figures are estimates based on samples]



[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, *Split-Interest Trust Information Return*, 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.
Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

the amount of trust income earned in that year, when that amount is less than the distribution that would otherwise be required.¹⁶ 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 percent of CRUTs 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.¹⁷ 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 percent of CRUTs 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 remained relatively stable, increasing by just over 3 percent in 2012. Long-term capital gains continued to dominate

the distributions in 2012 (Figure J). Ordinary income, primarily composed of interest and dividends, was the second most common distribution overall. As in 2011, short-term capital gains were the least common distribution made for CRATs. Charitable remainder unitrusts were less likely than annuity trusts to distribute non-taxable income. Distributions from the trust corpus (or principal) represented a higher percentage of total distributions for CRATs than for CRUTs. This may be because 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 Contributions

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 2012, some 2,183 split-interest trusts reported receiving a total of 8,025 asset contributions (Figure K). Contributions totaled more than \$5.2 billion in 2012, an increase of 74 percent over

¹⁶ For more information regarding net income charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(A).

¹⁷ For more information regarding net income with makeup charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(B).

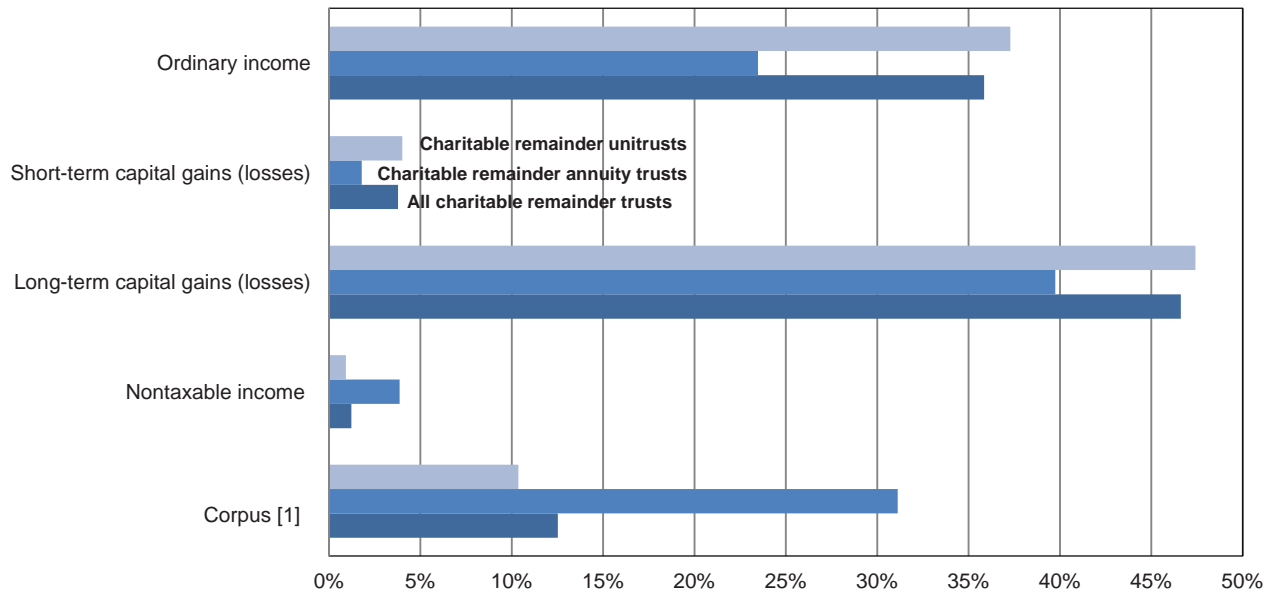
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Figure J

Allocation of Noncharitable Distributions, by Charitable Remainder Trust Type, Filing Year 2012

[All figures are estimates based on samples]



[1] The Corpus (or principal) of a trust consists of the original assets transferred into the trust. Often referred to as the body of the trust, the corpus may generate income streams.

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

Figure K

Asset Contributions, by Filing Status and Asset Type, Filing Year 2012

[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	113,682	2,241	111,441
Number of returns with asset contributions	2,183	414	1,769
Number of asset contributions [1]	8,025	4,023	4,002
Total asset contributions	5,240,621	2,996,250	2,244,371
Cash and money market accounts	2,673,699	893,240	1,780,458
Stocks [2]	1,353,381	990,883	362,497
Bonds	82,676	73,684	* 8,991
Real estate [3]	262,361	248,038	* 14,323
Other assets [4]	868,504	790,403	78,101

* 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, *Split-Interest Trust Information Return*, 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.

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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2011. Initial returns often report asset contributions, which will form the beginning corpus of the trust as outlined in the trust document. Of the returns that reported asset contributions, 19 percent were filed for initial trusts. These initial returns accounted for 57 percent of the total value of all contributions. However, asset contributions may extend well into the life of the trust. Ongoing and final trusts comprised 81 percent of the returns reporting asset contributions, but only 43 percent of the total value of all contributions. Cash and money market accounts contributions increased sharply in 2012, and as a result, they made up the highest percentage (51 percent) of the value of all asset contributions, followed by stocks (26 percent), and other assets (11 percent). Other assets include retirement assets, annuities, partnerships, insurance assets, and art. Bonds were the least likely type of asset contributed to a split-interest trust in 2012, making up well less than 1 percent of all contributions.

Summary

The number of Forms 5227 filed with the IRS has consistently declined in recent years. Preparers filed 113,688 Forms 5227 with the IRS in Filing Year 2012, a 3.4-percent decline from Filing Year 2011. While the number of filings declined for all types, charitable remainder trusts continued to be the most common split-interest trust, accounting for 93 percent of returns filed for the year.

Income received by trusts is divided into three income categories for reporting purposes: ordinary income, capital gains, and nontaxable income. As in prior years, ordinary income made up the majority of trust income for all trust types. Overall, total end-of-year assets, which include cash, receivables, and investments, reported for split-interest trusts increased only slightly, by 1 percent, between 2011 and 2012. In contrast, liabilities increased by 24 percent, to \$2.2 billion.

Trustees for all split-interest trusts must report any trust distributions of principal or income for charitable 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 16,500 distributions of principal totaling \$2.5 billion were made to charities in Filing Year 2012. Trustees made 15,580 distributions of income in 2012. The amount of distributions increased by more than \$1 billion or 126.2 percent, to \$1,793.7 billion between 2011 and 2012. Charities related to public or societal benefit received the largest amount and the greatest number of distributions of income and principal from split-interest trusts in 2012.

In 2012, split-interest trusts reported asset contributions of more than \$5.2 billion, an increase of 74 percent over 2011. Cash and money market accounts comprised 51 percent of the value of all asset contributions.

Data Sources and Limitations

The IRS Statistics of Income Division (SOI) collects the data presented in this article from a sample of Forms 5227, *Split-Interest Trust Information Returns*, selected during Filing Year 2012. A filing year includes returns received by the IRS for processing between January 1 and December 31 of a given year. These returns include primarily those submitted for the previous tax year; however, a filing year may also include late-filed returns for numerous other tax years. For Filing Year 2012, returns received for Tax Year 2011 made up approximately 99 percent of returns included in the sample while Tax Year 2010 returns comprised about 1 percent of the sampled returns. The SOI sample also includes partial-year returns, for either initial or final reporting periods. 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 2012, a sample of 11,087 returns was drawn from an estimated population of 113,979. This sample count also includes returns 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. All split-interest trusts with an end-of-year book value of total assets of \$10 million or more were included in sample. The remaining trusts were randomly selected for the sample at various rates of less than 100 percent depending on 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, SOI corrected the trust information to reflect the correct type. However, SOI based the weights used for these trusts 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.

SOI collected all data from original returns as they were filed, and subjected the returns to comprehensive testing and data verification procedures to ensure the

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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 2012

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 million	\$10 million or more
	(1)	(2)	(3)	(4)
Charitable remainder annuity trusts:				
Population [2]	13,854	12,571	1,229	54
Sample	1,308	786	468	54
Sampling rate (percentage)	9.4	6.3	38.1	100.0
Charitable remainder unitrusts:				
Population [2]	92,285	80,057	11,539	689
Sample	8,494	3,946	3,859	689
Sampling rate (percentage)	9.2	4.9	33.4	100.0
Charitable lead trusts:				
Population [2]	6,496	4,085	2,087	324
Sample	1,059	215	520	324
Sampling rate (percentage)	16.3	5.3	24.9	100.0
Pooled income funds:				
Population [2]	1,344	1,132	185	27
Sample	226	109	90	27
Sampling rate (percentage)	16.8	9.6	48.6	100.0

[1] This is the value the tax preparer reported on Form 5227, *Split-Interest Trust Information Return*, 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.

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

highest quality of data. The SOI generally did not incorporate any changes made to the return by the taxpayer (on an amended return) or during IRS processing. 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 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 2012

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	0.01	0.02	0.06	0.06
Total ordinary income	0.04	0.10	0.07	0.05
Total capital gains	0.21	0.46	0.24	0.26
Total capital losses	0.07	0.18	0.13	0.11
Total nontaxable income	0.08	0.19	0.14	0.13
End-of-year total assets (book value)	0.02	0.04	0.04	0.04
End-of-year total liabilities (book value)	0.17	0.25	0.26	0.28
Charitable remainder unitrusts:				
Number of returns	[3]	0.01	0.02	0.02
Total ordinary income	0.01	0.04	0.02	0.01
Total capital gains	0.09	0.23	0.09	0.07
Total capital losses	0.01	0.07	0.05	0.01
Total nontaxable income	0.05	0.22	0.06	0.05
End-of-year total assets (book value)	0.00	0.02	0.01	0.01
End-of-year total assets (fair market value) [2]	0.01	0.02	0.02	0.01
End-of-year total liabilities (book value)	0.04	0.10	0.10	0.04
Charitable lead trusts:				
Number of returns	0.00	0.05	0.05	0.04
Total ordinary income	0.07	0.65	0.06	0.02
Total capital gains	0.14	0.35	0.13	0.16
Total capital losses	0.11	0.27	0.27	0.07
Total nontaxable income	0.07	0.42	0.25	0.06
End-of-year total assets (book value)	0.01	0.09	0.04	0.01
End-of-year total liabilities (book value)	0.08	0.38	0.24	0.07
Pooled income funds:				
Number of returns	0.01	0.03	0.14	0.08
Total ordinary income	0.03	0.11	0.11	0.04
Total capital gains	0.09	0.31	0.14	0.11
Total capital losses	0.07	0.27	0.29	0.05
Total nontaxable income	0.94	0.94	N/A	N/A
End-of-year total assets (book value)	0.03	0.10	0.10	0.04
End-of-year total liabilities (book value)	0.07	0.33	0.33	0.07

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, *Split-Interest Trust Information Return*, 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.

[3] Less than 0.005 percent.

Source: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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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 2012

[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	14,616	11,944	1,429	912	279	52
Total net income (loss)	361,445	80,517	49,430	79,464	69,072	82,962
Net ordinary income	154,771	36,987	21,558	36,807	28,184	31,235
Total ordinary income	203,594	53,336	28,623	46,933	36,973	37,728
Interest income	49,947	11,210	8,290	10,145	10,031	10,271
Ordinary dividends and business income (loss)	124,883	31,091	19,630	25,569	22,609	25,983
Rents, royalties, partnerships, other estates and trusts, etc.	8,981	1,323	* 25	2,687	3,949	996
Farm income (loss)	* 107	0	0	* 107	0	0
Ordinary gain (loss)	1,407	* -1	* 12	* 1,287	* 112	* -4
Other income (loss)	18,269	9,712	665	7,139	272	* 481
Deductions allocable to ordinary income	48,823	16,349	7,065	10,127	8,789	6,493
Net capital gains (losses)	182,254	38,958	23,250	37,752	33,342	48,952
Total capital gains (losses)	188,035	40,908	24,674	39,085	34,148	49,219
Total short-term capital gains (losses)	-17,081	434	-1,982	-2,326	-5,362	-7,847
Total long-term capital gains (losses)	205,116	40,474	26,656	41,410	39,510	57,066
Deductions allocable to capital gains (losses)	5,781	1,951	1,424	1,333	806	* 267
Net nontaxable income	24,420	4,572	4,622	4,906	7,546	2,774
Total nontaxable income	28,537	5,581	5,177	5,774	8,995	3,010
Tax-exempt interest	27,136	4,233	5,132	5,773	8,990	3,009
Other nontaxable income	1,401	1,349	* 45	* 1	* 5	* 1
Deductions allocable to nontaxable income	4,118	1,010	555	868	1,449	236
Total deductions [2]	59,110	19,495	9,044	12,392	11,184	6,995
Interest	1,153	* 40	* 4	378	49	* 683
Taxes	491	50	36	129	223	* 54
Trustee fee	35,261	11,365	5,829	7,622	6,791	3,654
Attorney, accountant, and return preparer fees	6,616	3,712	875	939	579	512
Other allowable deductions	15,589	4,329	2,300	3,325	3,542	2,093

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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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 2012

[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	14,616	11,944	1,429	912	279	52
Total accumulations of income	3,318,030	725,557	416,171	600,205	781,646	794,451
Net ordinary income	383,467	68,919	28,839	78,710	115,692	91,306
Net capital gains (losses)	2,788,907	635,306	363,855	498,085	602,127	689,535
Net nontaxable income	145,655	21,333	23,477	23,410	63,827	13,609
Prior-year undistributed income	2,956,585	645,041	366,740	520,741	712,574	711,488
Net ordinary income	228,696	31,931	* 7,281	41,904	87,509	60,071
Net capital gains (losses)	2,606,653	596,348	340,604	460,333	568,785	640,583
Net nontaxable income	121,236	16,761	18,855	18,504	56,281	10,835
Current-year net income	361,445	80,517	49,430	79,464	69,072	82,962
Net ordinary income	154,771	36,987	21,558	36,807	28,184	31,235
Net capital gains (losses)	182,254	38,958	23,250	37,752	33,342	48,952
Net nontaxable income	24,420	4,572	4,622	4,906	7,546	2,774
Distributions of income	385,327	130,862	67,233	72,609	65,945	48,679
Net ordinary income	132,964	34,293	22,101	31,399	21,153	24,018
Net capital gains (losses)	230,768	90,692	40,597	36,139	39,529	23,812
Net nontaxable income	21,595	5,877	4,535	5,072	5,262	* 849
Undistributed at end of year	2,932,702	594,695	348,938	527,596	715,701	745,772
Net ordinary income	250,503	34,626	* 6,738	47,312	94,539	67,288
Net capital gains (losses)	2,558,139	544,614	323,258	461,946	562,598	665,723
Net nontaxable income	124,060	15,455	18,941	18,338	58,565	12,760

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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Table 3. Charitable Remainder Annuity Trusts: End-of-Year Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2012

[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	14,616	11,944	1,429	912	279	52
Total net assets	6,447,093	1,272,029	1,039,877	1,475,705	1,338,531	1,320,951
Total assets	6,520,672	1,312,399	1,046,866	1,481,013	1,352,154	1,328,239
Cash	130,023	32,742	29,376	23,585	31,676	12,643
Savings and temporary cash investments	453,912	86,461	69,776	119,459	75,189	103,027
Accounts receivable	3,174	1,054	* 89	1,295	* 31	* 704
Receivables due from officers, directors, trustees, etc.	* 6,202	* 4,584	* 645	* 93	* 876	* 5
Other notes and loans receivable	119,258	22,017	* 13,251	42,245	* 7,733	* 34,011
Inventories for sale or use	* 164	0	0	* 164	0	0
Prepaid expenses and deferred charges	* 569	* 23	* 64	* 282	* 197	* 3
Total investments	5,633,015	1,112,874	912,797	1,249,732	1,182,304	1,175,308
Securities	4,492,273	875,670	815,951	999,944	1,019,507	781,200
Government obligations	763,747	99,321	118,642	148,902	266,273	130,608
Corporate stock	2,892,104	589,263	545,429	663,534	576,355	517,522
Corporate bonds	836,423	187,086	151,880	187,508	176,878	133,070
Land, buildings, and equipment	64,675	* 9,735	0	* 26,085	* 23,922	* 4,933
Other investments	1,076,067	227,469	96,846	223,702	138,875	389,174
Charitable purpose land, buildings, and equipment	19,435	* 1,016	0	* 2,839	* 13,554	* 2,027
Other assets	154,917	51,625	* 20,867	41,319	40,595	* 510
Total liabilities	73,579	40,370	6,990	5,309	13,623	7,287
Accounts payable and accrued expenses	15,498	13,268	* 981	1,077	* 87	* 85
Deferred revenue	* 1,352	* 1,352	0	0	0	0
Loans from officers, directors, trustees, etc.	* 530	* 117	0	* 413	0	0
Mortgages and other notes payable	* 3,411	* 3,323	0	0	* 89	0
Other liabilities	52,788	22,311	6,008	3,818	13,448	* 7,202

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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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 2012

[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	91,250	65,444	13,587	9,012	2,532	675
Total net income (loss)	6,636,295	565,554	498,741	815,691	729,685	4,026,624
Net ordinary income	2,847,252	234,370	183,104	335,468	295,830	1,798,480
Total ordinary income	3,782,748	348,977	252,850	438,862	370,356	2,371,703
Interest income	591,007	51,492	47,809	88,213	70,959	332,534
Ordinary dividends and business income (loss)	1,489,880	259,749	186,733	290,994	258,588	493,816
Rents, royalties, partnerships, other estates and trusts, etc.	314,574	11,903	4,293	21,971	17,973	258,435
Farm income (loss)	* 167	0	* 28	0	* 139	0
Ordinary gain (loss)	10,014	9,183	152	331	526	-178
Other income (loss)	1,377,105	16,650	13,835	37,352	22,172	1,287,097
Deductions allocable to ordinary income	935,495	114,607	69,745	103,394	74,526	573,223
Net capital gains (losses)	3,702,473	318,105	304,183	456,154	416,692	2,207,339
Total capital gains (losses)	4,331,806	334,380	316,780	470,206	427,150	2,783,291
Total short-term capital gains (losses)	-530,830	-22,434	-7,697	-9,819	-23,010	-467,871
Total long-term capital gains (losses)	4,862,637	356,814	324,476	480,024	450,160	3,251,162
Deductions allocable to capital gains (losses)	629,333	16,274	12,596	14,052	10,458	575,952
Net nontaxable income	86,569	13,079	11,453	24,070	17,163	20,805
Total nontaxable income	105,270	15,897	14,092	30,345	21,593	23,343
Tax-exempt interest	93,141	10,284	12,827	27,949	21,241	20,840
Other nontaxable income	12,129	5,613	1,266	2,396	351	2,503
Deductions allocable to nontaxable income	18,700	2,818	2,639	6,275	4,429	2,538
Total deductions [2]	1,584,820	134,367	85,015	124,109	89,602	1,151,727
Interest	376,258	564	228	1,407	1,685	372,374
Taxes	9,534	1,696	568	2,316	1,574	3,380
Trustee fee	199,315	58,891	41,826	51,796	28,715	18,088
Attorney, accountant, and return preparer fees	61,706	27,203	9,871	11,048	7,260	6,324
Other allowable deductions	938,008	46,013	32,522	57,543	50,368	751,561

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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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 2012

[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	91,250	65,444	13,587	9,012	2,532	675
Total accumulations of income	66,911,225	6,647,075	5,385,809	9,185,635	9,273,302	36,419,404
Net ordinary income	12,060,296	334,441	250,288	616,974	592,837	10,265,755
Net capital gains (losses)	54,142,905	6,132,068	5,058,565	8,378,479	8,541,744	26,032,050
Net nontaxable income	708,024	180,566	76,956	190,182	138,721	121,599
Prior-year undistributed income	60,274,929	6,081,521	4,887,068	8,369,943	8,543,616	32,392,780
Net ordinary income	9,213,043	100,071	67,184	281,506	297,007	8,467,275
Net capital gains (losses)	50,440,431	5,813,962	4,754,381	7,922,325	8,125,051	23,824,711
Net nontaxable income	621,455	167,488	65,502	166,112	121,558	100,794
Current-year net income	6,636,295	565,554	498,741	815,691	729,685	4,026,624
Net ordinary income	2,847,252	234,370	183,104	335,468	295,830	1,798,480
Net capital gains (losses)	3,702,473	318,105	304,183	456,154	416,692	2,207,339
Net nontaxable income	86,569	13,079	11,453	24,070	17,163	20,805
Distributions of income	5,244,384	742,540	554,438	881,898	787,334	2,278,174
Net ordinary income	1,801,097	244,282	190,668	329,900	271,013	765,234
Net capital gains (losses)	3,388,815	490,020	356,120	536,552	503,943	1,502,181
Net nontaxable income	54,471	8,239	7,650	15,446	12,378	10,758
Undistributed at end of year	61,666,840	5,904,534	4,831,371	8,303,737	8,485,968	34,141,230
Net ordinary income	10,259,198	90,159	59,620	287,074	321,824	9,500,521
Net capital gains (losses)	50,754,089	5,642,047	4,702,445	7,841,926	8,037,801	24,529,869
Net nontaxable income	653,553	172,327	69,305	174,736	126,343	110,841

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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Table 6. Charitable Remainder Unitrusts: End-of-Year Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2012

[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	91,250	65,444	13,587	9,012	2,532	675
Total net assets	85,240,003	11,233,567	9,435,936	14,307,813	12,517,904	37,744,783
Total assets	86,857,297	11,382,774	9,599,220	14,571,850	12,774,783	38,528,669
Cash	1,563,078	248,260	219,882	288,071	237,262	569,602
Savings and temporary cash investments	4,007,335	632,289	558,056	811,585	709,051	1,296,353
Accounts receivable	128,560	21,235	23,148	23,714	23,862	36,601
Receivables due from officers, directors, trustees, etc.	8,814	1,375	* 2,088	4,247	* 497	* 608
Other notes and loans receivable	1,003,072	108,701	160,197	215,529	239,270	279,375
Inventories for sale or use	* 1,021	0	0	* 508	0	* 513
Prepaid expenses and deferred charges	9,369	1,378	* 3,429	1,324	518	2,719
Total investments	78,200,204	10,016,840	8,261,226	12,792,016	11,160,363	35,969,759
Securities	42,651,665	7,876,019	6,523,270	9,926,996	7,953,102	10,372,279
Government obligations	3,747,306	394,390	468,853	839,211	827,487	1,217,364
Corporate stock	31,868,286	6,072,593	4,924,706	7,469,903	5,981,834	7,419,249
Corporate bonds	7,036,074	1,409,036	1,129,710	1,617,882	1,143,780	1,735,666
Land, buildings, and equipment	884,233	100,664	106,128	250,599	201,013	225,829
Other investments	34,664,306	2,040,157	1,631,828	2,614,420	3,006,249	25,371,651
Charitable purpose land, buildings, and equipment	275,173	38,039	* 31,995	102,377	56,046	46,716
Other assets	1,660,658	314,647	339,196	332,477	347,913	326,424
Total liabilities	1,617,294	149,208	163,284	264,037	256,879	783,886
Accounts payable and accrued expenses	141,976	25,844	15,339	28,120	32,356	40,316
Deferred revenue	56,882	* 2,853	* 13,189	8,164	* 31,408	* 1,269
Loans from officers, directors, trustees, etc.	4,085	* 702	* 2,161	971	* 117	* 134
Mortgages and other notes payable	92,856	* 2,357	* 12,462	* 10,291	* 14,883	52,863
Other liabilities	1,321,495	117,452	120,133	216,491	178,116	689,304

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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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 2012

[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	91,250	65,444	13,587	9,012	2,532	675
Total assets	92,712,995	12,601,325	10,121,902	15,677,560	13,249,298	41,062,911
Cash	1,561,793	249,915	221,891	281,866	237,142	570,978
Savings and temporary cash investments	3,999,456	646,911	557,702	810,792	685,428	1,298,623
Accounts receivable	127,517	20,927	23,043	23,499	23,129	36,919
Receivables due from officers, directors, trustees, etc.	8,726	* 1,287	* 2,088	4,247	* 497	* 608
Other notes and loans receivable	966,666	109,333	150,612	208,503	219,921	278,296
Inventories for sale or use	* 1,125	0	0	* 582	0	* 542
Prepaid expenses and deferred charges	9,160	1,378	* 3,429	1,123	518	2,712
Total investments	83,804,520	11,024,623	8,770,513	13,874,746	11,661,179	38,473,459
Securities	45,649,941	8,549,809	6,958,627	10,578,083	8,429,557	11,133,865
Government obligations	3,902,884	403,606	488,580	885,571	867,454	1,257,673
Corporate stock	34,518,143	6,683,678	5,299,444	8,010,167	6,373,789	8,151,064
Corporate bonds	7,228,915	1,462,525	1,170,603	1,682,345	1,188,314	1,725,127
Land, buildings, and equipment	1,172,745	256,804	162,888	340,297	216,537	196,219
Other investments	36,981,834	2,218,010	1,648,998	2,956,366	3,015,086	27,143,375
Charitable purpose land, buildings, and equipment	478,181	188,648	* 63,661	111,666	56,080	58,126
Other assets	1,755,847	358,301	328,961	360,535	365,403	342,648

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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Table 8. Charitable Lead Trusts: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2012

[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	6,498	2,658	1,406	1,353	757	324
Total income (loss)	1,963,724	161,272	-45,382	36,776	337,283	1,473,774
Total ordinary income	1,167,723	131,275	30,925	71,271	163,367	770,886
Interest income	182,650	3,528	3,811	12,005	29,851	133,455
Ordinary dividends and business income (loss)	888,223	112,775	23,706	48,367	85,205	618,170
Rents, royalties, partnerships, other estates and trusts, etc.	81,075	14,814	2,055	9,060	45,758	9,387
Farm income (loss)	* 45	0	0	0	* 90	* -45
Ordinary gain (loss)	-3,195	* 28	* -23	418	773	-4,391
Other income (loss)	18,926	128	1,376	1,422	1,690	14,310
Total capital gains (losses)	763,956	28,781	-79,306	-38,608	166,427	686,662
Total short-term capital gains (losses)	-155,938	-17,172	-17,976	-53,600	-63,326	-3,864
Total long-term capital gains (losses)	919,894	45,953	-61,330	14,992	229,753	690,526
Total nontaxable income	32,045	1,216	2,999	4,113	7,490	16,227
Tax-exempt interest	29,847	1,212	2,999	4,103	7,489	14,045
Other nontaxable income	2,198	* 4	0	* 10	* 1	* 2,182

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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Table 9. Charitable Lead Trusts: End-of-Year Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2012

[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	6,498	2,658	1,406	1,353	757	324
Total net assets	23,705,416	413,545	995,305	2,266,958	4,048,280	15,981,328
Total assets	24,080,869	458,669	1,006,185	2,294,287	4,110,324	16,211,405
Cash	519,789	22,856	24,990	65,712	148,486	257,745
Savings and temporary cash investments	2,047,732	30,287	69,831	158,911	214,754	1,573,949
Accounts receivable	22,287	* 518	* 206	1,553	8,789	11,222
Receivables due from officers, directors, trustees, etc.	* 69,222	0	0	* 6,562	* 18,509	* 44,151
Other notes and loans receivable	470,760	* 970	0	44,149	65,578	360,063
Inventories for sale or use	* 584	* 48	0	0	* 536	0
Prepaid expenses and deferred charges	2,860	* 48	* 312	* 1,477	* 5	* 1,018
Total investments	20,265,575	385,613	882,153	1,954,126	3,505,887	13,537,796
Securities	9,377,456	282,500	621,103	1,315,800	1,693,129	5,464,925
Government obligations	582,484	21,525	32,425	92,492	149,140	286,901
Corporate stock	7,510,624	221,138	539,195	1,036,586	1,244,148	4,469,558
Corporate bonds	1,284,348	39,837	49,483	186,721	299,841	708,466
Land, buildings, and equipment	248,458	* 9,090	* 14,450	* 19,480	* 27,425	178,013
Other investments	10,639,660	94,023	246,601	618,847	1,785,333	7,894,857
Charitable purpose land, buildings, and equipment	* 39,868	0	0	* 10,402	* 12,151	* 17,316
Other assets	642,192	18,330	* 28,693	51,395	135,629	408,146
Total liabilities	375,453	45,123	10,880	27,329	62,044	230,077
Accounts payable and accrued expenses	78,248	* 3,069	* 2,262	3,110	39,111	30,696
Deferred revenue	* 10,855	0	0	0	0	* 10,855
Loans from officers, directors, trustees, etc.	* 1,172	* 943	0	* 229	* [2]	0
Mortgages and other notes payable	57,100	* 2,835	* 38	* 4,173	* 2,849	47,205
Other liabilities	228,078	38,277	* 8,580	19,817	20,084	141,320

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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Table 10. Pooled Income Funds: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2012

[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	1,324	1,011	104	122	64	23
Total income (loss)	30,756	3,025	* -572	4,151	15,065	9,088
Total ordinary income	53,384	4,213	* 2,997	7,636	12,809	25,729
Interest income	16,448	1,080	* 964	3,090	4,751	6,563
Ordinary dividends and business income (loss)	36,272	3,075	* 2,050	4,528	8,056	18,562
Rents, royalties, partnerships, other estates and trusts, etc.	* 628	0	* -17	0	0	* 645
Farm income (loss)	0	0	0	0	0	0
Ordinary gain (loss)	* [2]	0	* [2]	0	0	0
Other income (loss)	37	* 58	0	* 18	* 2	* -41
Total capital gains (losses)	-22,630	-1,190	* -3,569	-3,486	2,256	-16,641
Total short-term capital gains (losses)	-21,627	-357	* -573	-2,213	-3,339	-15,144
Total long-term capital gains (losses)	-1,003	-833	* -2,995	-1,273	5,595	-1,497
Total nontaxable income	* 2	* 2	0	* [2]	0	0
Tax-exempt interest	* 2	* 2	0	* [2]	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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.

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Table 11. Pooled Income Funds: End-of-Year Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2012

[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	1,324	1,011	104	122	64	23
Total net assets	1,254,989	114,910	80,459	199,917	335,990	523,713
Total assets	1,403,113	115,033	80,585	200,320	354,338	652,837
Cash	9,699	554	* 92	1,890	3,291	3,872
Savings and temporary cash investments	41,525	8,027	* 2,771	7,584	11,709	11,435
Accounts receivable	2,150	* 27	* 38	* 12	* 47	* 2,026
Receivables due from officers, directors, trustees, etc.	* [2]	0	0	0	* [2]	0
Other notes and loans receivable	* 12,126	0	0	* 449	* 37	* 11,640
Inventories for sale or use	0	0	0	0	0	0
Prepaid expenses and deferred charges	* 38	0	0	* 38	0	0
Total investments	1,307,802	93,257	77,684	187,971	333,164	615,725
Securities	1,116,334	78,349	* 63,976	162,150	264,143	547,716
Government obligations	69,925	7,282	* 6,507	10,977	* 7,904	* 37,255
Corporate stock	521,295	29,214	* 16,133	54,211	105,056	316,681
Corporate bonds	525,114	41,853	* 41,336	96,962	151,183	193,780
Land, buildings, and equipment	* 28,257	0	0	0	* 23	* 28,234
Other investments	163,211	14,909	* 13,708	25,821	68,998	* 39,775
Charitable purpose land, buildings, and equipment	* 7,962	0	0	0	0	* 7,962
Other assets	21,810	13,167	0	* 2,375	* 6,089	* 179
Total liabilities	148,124	123	* 126	402	* 18,348	129,124
Accounts payable and accrued expenses	20,523	* 64	0	* 98	* 14,069	6,292
Deferred revenue	* 99,464	0	0	0	* 3,821	* 95,643
Loans from officers, directors, trustees, etc.	0	0	0	0	0	0
Mortgages and other notes payable	* 25,962	0	0	0	0	* 25,962
Other liabilities	2,175	* 59	* 126	* 305	* 458	1,227

* 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, *Split-Interest Trust Information Return*, 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.

SOURCE: IRS, Statistics of Income Division, Split-Interest Trusts, August 2013.