

STATISTICS OF INCOME . . . 1954

Estate Tax
RETURNS

Filed during
calendar year 1955

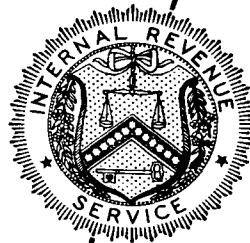
U. S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE

Statistics of Income

1954

Estate Tax
RETURNS

*Filed during
calendar year 1955*



*Prepared under the direction of the
Commissioner of Internal Revenue
by the Statistics Division*

U. S. TREASURY DEPARTMENT

Internal Revenue Service • Publication No. 402

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1957

LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., September 25, 1957.

SIR: In compliance with the provisions of section 6108 of the Internal Revenue Code of 1954, which requires publication of statistics with respect to the operation of Federal tax laws, I have the honor to submit this report, *Statistics of Income—1954, Estate Tax Returns*, presenting data relative to estate tax returns filed during the calendar year 1955. These data show the types of property included in gross estate, the deductions, exemption, net estate, and estate taxes by various classifications such as size of estate, taxable and nontaxable status, revenue acts, and States and Territories.

Respectfully,

RUSSELL C. HARRINGTON,
Commissioner of Internal Revenue.

Honorable ROBERT B. ANDERSON,
Secretary of the Treasury.

OTHER STATISTICS OF INCOME PUBLICATIONS

FOR 1954

Corporations *Preliminary Statistics of Income—1954, Corporation Income Tax Returns*

Income statements, balance sheets, tax, dividends paid; classified by major industry groups. Historical summary of total compiled receipts, profit or loss, taxes, dividends paid by net income status, 1950-54.

Statistics of Income—1954, Corporation Income Tax Returns

Income statements, balance sheets, dividends paid, taxes, tax credit. Classifications by industry groups, size of net income, size of total assets, accounting periods, accounting and inventory valuation methods. Special tables on beginning and ending inventories of manufacturing and trade corporations, cash dividends paid, corporations filing first returns, returns with foreign tax credits, Western Hemisphere trade corporations, personal holding companies. Historical summary 1945-54.

Individuals *Preliminary Statistics of Income—1954, Individual Income Tax Returns*

Adjusted gross income, taxable income, income tax liability, sources of income, exemptions, tax credits, itemized nonbusiness deductions; classified by size of adjusted gross income. Selected sources of income by States and Territories.

Statistics of Income—1954, Individual Income Tax Returns

Adjusted gross income, taxable income, income and self-employment tax liability, sources of income, exemptions, tax credits, itemized nonbusiness deductions; classified by size of adjusted gross income. Taxable income by taxable income size for applicable tax rates. Historical summary 1945-54.

Fiduciaries *Statistics of Income—1954, Fiduciary Income Tax Returns*

Total income, taxable income, income tax, sources of income, deductions, exemptions; classified by size of total income. Selected sources of income by States and Territories. Taxable income and income tax by size of taxable income.

FOR 1953

(Subjects not included for 1954)

Gifts *Statistics of Income for 1953, Part 1, Individual Income Tax Returns, Estate Tax Returns, Gift Tax Returns*

Total gifts, exclusions, deductions, net gifts, tax. Classifications by size of net gifts, size of total gifts plus gift tax, tax status, type of property.

Sole proprietorships *Statistics of Income for 1953, Part 1, Individual Income Tax Returns, Estate Tax Returns, Gift Tax Returns*

Sole proprietorship income, business receipts, net profit or loss. Classifications by size of total receipts, industry groups.

Partnerships *Statistics of Income—1953, Partnership Returns*

Partnership receipts, deductions, profit and loss, assets, liabilities. Classifications by industry groups, size of ordinary net income or deficit, size of total receipts. Frequency of returns by year of organization, new or successor business. Self-employment income and family partnership data.

Farmers' cooperatives *Statistics of Income—1953, Farmers' Cooperative Income Tax Returns*

Receipts, deductions, net income or deficit, tax, assets, liabilities, special deductions and adjustments. Classifications by size of business receipts, size of total assets, net income status, States and Territories, type of service performed, exemption status.

CONTENTS

	Page
Introduction	1
ESTATE TAX RETURNS	
Major characteristics	6
Estate tax provisions under the 1954 Code	6
Returns from which data were tabulated	7
Tabulated data	8
Nonresident alien estates	8
Explanation of classifications and terms	9
Classification of estate tax returns	9
Gross estate and types of property	9
Deductions	10
Net estate, estate tax, and tax credits	11
Estate tax tables	
1. Gross estate by types of property, deductions, net estate, and tax, by applicable revenue acts	15
2. Gross estate by types of property, deductions, net estate, and tax for taxable returns filed under the 1948 or subsequent acts, by net estate classes	16
3. Gross estate by types of property, deductions, net estate, and tax for taxable returns filed under the 1948 or subsequent acts, by gross estate classes	17
4. Gross estate by types of property, deductions, and net estate before exemption for nontaxable returns filed under the 1948 or subsequent acts, by gross estate classes	18
5. Estate tax data by States and Territories	19
6. Number of returns, gross estate by types of property, selected deductions, net estate, and tax, 1945-55	20
SYNOPSIS OF ESTATE TAX LAW	
A. Requirement for filing return, specific exemption, and tax credits for estates of citizens and aliens who died after Oct. 22, 1942	23
B. Tax and tax rates under estate tax law for estates of citizens and aliens who died after Oct. 22, 1942	23
INDEX	
Alphabetical index	25

INTRODUCTION

This is the initial report to be published for *Statistics of Income—1954*. The series for 1954 consist of a separate volume for each type of return processed by the Statistics Division and replace the former annual reports, *Statistics of Income, Parts 1 and 2*.

Data in this report were compiled from the Estate Tax Returns, Forms 706 and 706NA, filed during the calendar year 1955 for estates of deceased persons, regardless of the date of death or the revenue act under which the estate was administered. These returns were filed for the estates of citizens with domicile at home or abroad, estates of resident aliens, and estates of nonresident aliens with property situated in the United States.

Statistical data for estates of citizens and residents are presented in tables 1 through 5. A limited amount of information for nonresident alien estates is included in the historical table 6, which also contains data tabulated in recent years for estates of both citizens and aliens.

At the end of this report, there is a synopsis of estate tax law regarding filing requirements, exemption, and tax rates for the most recent revenue acts.

*Estate Tax
Returns*

ESTATE TAX RETURNS FILED DURING 1955

The Federal estate tax is imposed upon the transfer of the entire estate of a decedent, rather than upon any particular legacy, devise, or distributive share. The relationship of the beneficiaries to the decedent has no bearing upon the tax liability except that a deduction, subject to certain limitations, is allowed for property left to the surviving spouse. The tax is paid by the executor.

Under present law, returns are required for each citizen and resident decedent if his gross estate at date of death exceeded \$60,000, and for each nonresident alien if that part of his gross estate situated in the United States exceeded \$2,000. During 1955 there were 37,565 estate tax returns filed, on Forms 706 and 706NA, which met these requirements—36,595 for citizens and resident decedents and 970 for nonresident alien decedents.

Estate tax returns are filed under the law in effect at date of death. The estate tax provisions of the Internal Revenue Code of 1954 are applicable with respect to estates of decedents dying on or after August 16, 1954 and there were fewer returns filed during 1955 under the 1954 Code than under all earlier acts. The 1954 Code is described in this section of the report devoted to the major legal provisions on pages 6-7. For the previ-

ously published statement of the estate tax provisions of the 1939 Code as amended by the 1950 and subsequent acts (prior to the enactment of the 1954 Code) the reader is referred to pages 63-64 of the *Statistics of Income for 1953, Part 1, Individual Income Tax Returns, Estate Tax Returns, and Gift Tax Returns*. However, throughout this report, wherever needed for clarity, statements are included regarding both the 1954 Code and prior acts.

The estate tax return, Form 706, was revised as of May 1955 to give effect to the changes in estate tax law introduced by the Internal Revenue Code of 1954. Plans for the tabulation of statistics to be taken from the estate tax returns filed during 1955 had to be made before the new form was issued. Therefore, the tables were set in line with the forms used for the reporting of estates under acts prior to the 1954 Code, but provided, nevertheless, a flexibility that would allow the integration of data to be taken from estates filed under the new Code. An outstanding feature of the 1954 Code is the simplified method of computing the estate tax.

In order to show the items which were merged in tabulating and the nomenclature used, a brief outline is presented in chart 1, indicating items of a similar nature

Chart 1. — ESTATE TAX RETURNS OF CITIZENS AND RESIDENTS FILED UNDER —

1954 Code	1939 Code
1. Gross estate	1. Gross estate
Allowable deductions for taxable estate:	Allowable deductions for basic tax:
2. Specific exemption, \$60,000	2. Specific exemption, \$100,000
3. Allowable deductions (Total)	3. Allowable deductions (Total)
4. Taxable estate (Item 1 minus 3)	4. Net estate for basic tax (Item 1 minus 3)
5. Gross tax	Allowable deductions for additional tax:
Graduated rate of 3% of first \$5,000 of taxable	5. Specific exemption, \$60,000
estate (Item 4) to maximum of 77% of such	6. Allowable deductions (Total)
taxable estate over \$10,000,000.	7. Net estate for additional tax (Item 1 minus 6)
6. Gross tax (Item 5 repeated)	8. Gross tax (tentative, basic and additional)
7. Less: 4 tax credits	Graduated rate of 3% of first \$5,000 of net estate
State inheritance taxes	for additional tax (Item 7) to maximum of 77% of
Federal gift taxes	such net estate over \$10,000,000.
Foreign death duties	9. Basic tax
Tax on prior transfers	Graduated rate of 1% of first \$50,000 of net estate
8. Net estate tax (Item 5 minus 7)	for basic tax (Item 4) to maximum of 20% of such
	net estate over \$10,000,000.
	10. Additional tax (Item 8 minus 9)
	11. Less: 3 tax credits
	State inheritance taxes
	Federal gift taxes
	Foreign death taxes
	12. Net estate tax (Item 8 minus 11)

that were merged when data from returns of citizen and resident decedents filed under the 1954 Code were combined with those from returns filed under the 1939 Code.

MAJOR CHARACTERISTICS

A total of 37,565 estate tax returns were filed during the year 1955 for estates of citizens and alien decedents. This was 107 fewer than were received during the previous year, 1954. Of the returns filed during 1955, there were 970 returns for estates of nonresident alien decedents. Since only a few items were tabulated for these 970 returns, the description of the characteristics of these returns is restricted chiefly to one section of this report "Nonresident Alien Estates" on pages 8-9.

Returns for estates of citizen and resident decedents comprise the bulk of the returns received. The 36,595 returns filed for these decedents showed gross estate valued at \$7.5 billion, which was larger than for any previous year for which tabulations are available. More than two-thirds, or 25,143, of these returns were taxable, with gross estate value of \$6.4 billion. The 11,452 nontaxable returns had gross estate amounting to \$1.1 billion.

The 25,143 taxable estate tax returns filed during 1955 showed net estate subject to additional tax amounting to \$3 billion and net estate subject to basic tax amounting to \$1.8 billion. The net estate for additional tax (including the taxable estate under the 1954 Code) was slightly higher than that reported during 1954.

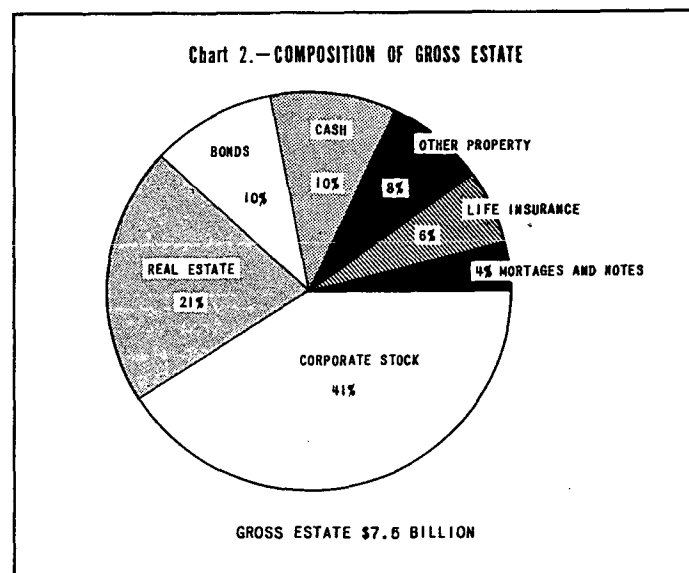
The gross estate tax reported during 1955 was \$872.4 million, which was \$3.8 million more than was reported during 1954. The gross basic tax accounted for \$85.4 million and the gross additional tax was \$787 million. The basic tax of \$85.4 million for 1955 returns was reported on estates taxed under the 1939 Code. The gross additional tax of \$787 million for 1955 returns included the gross tax on returns subject to the 1954 Code as well as the gross additional tax under the 1939 Code.

The total tax credits of \$94.1 million claimed on taxable returns filed during 1955 was nearly \$4 million more than was claimed during 1954. The increase was to a large degree the result of the new credit of \$2.6 million claimed for prior transfers relating to estate tax previously paid on inherited property included in the gross estate of the present decedent. Credit for State inheritance taxes claimed was \$86.2 million, a slight increase over that claimed during 1954. Credit for gift taxes was \$1.4 million, which was about one-third less than was claimed in 1954. Credit for foreign death duties amounted to \$3.9 million, an increase of \$1.7 million over that claimed during 1954.

Net estate tax, as reported on the taxable returns filed during 1955, was \$778.3 million after the tax credits had been deducted. The net tax was somewhat less than the net tax liability reported during 1954, even though the gross tax for 1955 was greater than that for 1954.

The total gross estate, as reported by the executors, was appraised at \$7.5 billion. Types of property comprising the gross estate and the percentage of the total which each comprises are shown in chart 2. As in previous tabulations of estate data, corporate stock constituted the largest element in the gross estate as a whole. Corporate stock valued at \$3.1 billion when combined with bonds of \$0.7 billion comprised 51 percent of the total gross estate. Real estate valued at \$1.6 billion formed 21 percent of the total, cash 10 percent, and insurance, mortgages, and notes another 10 percent. Each of the seven types of property in the 1955 estates formed approximately the same proportion of the total gross estate as they did in the 1954 estates.

The value of gross estate on each of 15,185, or 41 percent, of the 1955 returns was less than \$100,000; more than half of these returns were nontaxable. Two percent of all estates, or 718, each had \$1 million or more gross estate. Ten of these estates were nontaxable because of large mortgages and charitable bequests.



ESTATE TAX PROVISIONS UNDER THE 1954 CODE

Many technical changes were incorporated in the estate tax provisions of the Internal Revenue Code of 1954. The changes were effective with respect to the estates of decedents dying after the date of enactment of the Code, August 16, 1954. There are new provisions governing the method of computing the gross tax and the credits against gross tax, the reporting of property in the gross estate, and the deductions allowed against the gross estate. While it is not possible to state all of the changes, some of the important ones are mentioned. The estate tax provisions of the 1939 Code were published previously on pages 63-64 of the *Statistics of Income for 1953, Part 1, Individual Income Tax Returns, Estate Tax Returns, and Gift Tax Returns*.

Although the basic tax and the additional tax are combined into a single tax, provision was made in the 1954 Code to establish either or both when necessary. The new Code carries, as a single tax-rate schedule for the gross tax, the former tentative graduated tax rates. These rates are applied to the amount of taxable estate which has the same significance as the concept of net estate for additional tax under the 1939 Code.

There are four tax credits, three of which existed under the 1939 Code. The tax credit for State inheritance taxes paid, which was 80 percent of the basic tax under the 1939 Code, is now a proportionate amount of the taxable estate and is determined from a table stating the credit and graduated percentage rates for the various taxable estate brackets. The method of calculating the credit for Federal gift taxes paid on a transfer of property subsequently included in the gross estate of the decedent has been simplified by the use of one formula instead of the two used under the 1939 Code. Credit for foreign death taxes remains comparable to that previously allowed.

The new credit relating to estate tax on prior transfers replaces the former deduction from gross estate for property previously taxed. This new credit is allowed against the estate tax of the current decedent for estate tax paid on property included in the estate of a prior decedent and also in the gross estate of the current decedent, where the current decedent dies within 10 years of the death of the prior decedent. Such credit cannot reduce the tax of the current decedent below what it would have been if he had not received the property. The credit is allowable to the full extent of the previously paid estate tax if the decedent dies within 2 years before or within 2 years after the death of the transferor. If the decedent dies within the 3rd or 4th year after the transferor, the credit is 80 percent of the prior tax; for death within the 5th or 6th year after, the credit is 60 percent; for the 7th or 8th year after, it is 40 percent; for the 9th or 10th year, it is 20 percent; and none after the 10th year.

The 1954 Code provides that property transferred by the decedent during his lifetime which takes effect at death will be includible in his gross estate only if he had at time of death a reversionary interest in the property exceeding 5 percent of its value.

Regarding annuities, there must be included in the gross estate a part of the value of an annuity or other payment receivable by a surviving beneficiary equal to the portion of such value which the decedent's contribution bears to the total cost of the annuity.

For insurance on the life of the decedent, receivable by beneficiaries other than the estate, the proceeds included in gross estate no longer depend on the premium payment test, but instead, wholly on elements of ownership.

Election of a valuation for gross estate at a date subsequent to the decedent's death remains the same, except for changing the words "optional valuation" to "alternative valuation." Such election reduces the tax on estates

which suffered a shrinkage in the value of the gross estate within a year following the decedent's death.

Provisions respecting the deduction of certain expenses have been liberalized. Funeral expenses, administration expenses, claims against the estate, and unpaid mortgages in excess of the value of property subject to claims were disallowed as a deduction under the old law. The new Code provides that expenses of administering property subject to claims in excess of the value of such property will be allowed if actually paid before the date prescribed for filing the return. Expenses incurred in connection with property subject to estate tax, although not subject to claims, are allowable deductions if paid within the period for assessment of estate tax.

The new Code broadens the scope of bequests of charitable contributions, which are deductible for estate tax purposes, to include bequests to such organizations as the American Legion, Disabled American Veterans, Veterans of Foreign Wars, AMVETS, and United Spanish-American War Veterans.

The deduction for bequests to surviving spouse, the so-called marital deduction, is liberalized and clarified and thus provides a deduction in the case of a legal life interest on property as well as trust property over which the surviving spouse has virtual ownership.

Exemption from the additional estate tax is extended to cover decedents dying during any period in which persons generally are subject to induction under the Universal Military Training and Service Act.

RETURNS FROM WHICH DATA WERE TABULATED

Estate tax returns used for this report were Forms 706 and 706NA filed, during the calendar year 1955, for estates of citizens and residents of the United States and of nonresident aliens, regardless of the date of death of the individual or the revenue act under which the estate was administered. However, returns were excluded if the value of the gross estate was less than the statutory amount for which a return was required at time of death. Citizens and residents filed Form 706 and nonresident aliens filed either Form 706 or 706NA.

Tentative returns were not used and an amended return was used only if the original return was excluded. Data were taken from the returns before they had been audited by the Internal Revenue Service and, therefore, do not contain any of the changes in property values, deductions, or tax items that may have resulted from the audit.

The estate tax returns filed during 1955 included forms revised from time to time to cover features of the law introduced by each succeeding act. Thus, the problems encountered in assembling data from this heterogeneous group of returns were many and varied.

There were 36,595 returns for estates of citizens and resident decedents. Of these, 13,635 returns showed date of death on or after August 17, 1954, and were filed under provisions of the Internal Revenue Code of 1954; 22,905

returns showed date of death in the period January 1, 1948, through August 16, 1954, and were filed under the Revenue Acts of 1948 and 1950, amending the 1939 Code; and the 55 remaining returns showed date of death prior to January 1, 1948, and were filed under the 1942 and prior acts. The 55 estates included 43 filed under the 1942 act, 2 under the 1941 act, 5 under the 1940 act, and 5 under the 1935 act. The earliest date of death was in 1936.

The 970 returns for nonresident alien estates disclosed a much wider span of time for dates of death. On nearly 9 percent of these returns, the date of death was prior to October 22, 1942, and the earliest death occurred in 1918.

TABULATED DATA

The estate tax return, Form 706, was revised as of May 1955 to incorporate the changes in estate tax law introduced by the Internal Revenue Code of 1954, effective for estates of individuals who died on or after August 17, 1954. However, since plans for this tabulation had to be made before the new form was issued, and since it was anticipated that more returns would be filed in 1955 under the provisions of earlier acts, the tables were set in line with the forms used for the reporting of estates under acts prior to the 1954 Code.

The estates for which data are shown in the tables were administered under the law in effect at time of death, and there are variations in the data reported under provisions of the different acts. In assembling the data from the several forms, items of a similar nature were merged for the tabulation of statistical data.

The first five tables present data tabulated from the returns filed during 1955 for estates of citizens and residents. Taxable and nontaxable returns are shown separately. The sixth and last table shows limited information for returns of nonresident alien estates, along with historical data for all estate tax returns.

Table 1 shows the types of property which made up the total gross estate and the deductions authorized against the gross estate, as well as the disallowed amount pertaining to certain of these deductions, and the actual allowable amount deducted. Also, there are given several kinds of net estate, taxes, and tax credits together with net estate tax. All of these data are presented separately for taxable and nontaxable returns classified by groups of revenue acts under which the returns were filed.

Table 2 contains data from the taxable estate tax returns filed under the 1948 and subsequent acts. The components of gross estate, deductions, net estate, and tax items (as in table 1) are shown by 20 classes of net estate before specific exemption.

Table 3 contains the same items for the same category of returns as are presented in table 2, but these data are distributed by 16 gross estate classes.

Table 4 contains data from the nontaxable estate tax returns filed under the 1948 and subsequent acts. The

types of property constituting gross estate, the authorized deductions together with the amount disallowed and the actual deduction allowed, and the net estate before specific exemption are presented by 13 gross estate classes. None of the nontaxable returns had a gross estate value in excess of \$3 million. Net estate before specific exemption on nontaxable returns includes negative as well as positive amounts.

In table 5, selected data for all estate tax returns are shown by States and Territories in which the returns were filed. These data include the number of nontaxable returns and, for taxable returns, the gross estate, net estate for additional tax, gross tax, and net estate tax. In addition, for returns which had a credit for State inheritance taxes, there are shown the number of returns, net estate for additional tax, gross tax, and credit for State inheritance tax.

Table 6 presents historical data from estate tax returns filed in 1955 and certain prior years which were processed for statistics. Types of property in gross estate, deductions, net estate, and tax are shown for estates of citizens and residents, but only gross estate, net estate, and tax are available for estates of nonresident aliens.

Values in the tables have been rounded to thousand dollars and may not add to the totals.

NONRESIDENT ALIEN ESTATES

Estate tax returns were filed during 1955 for 970 nonresident aliens who had property in the United States at time of death. Of these returns, 696 were taxable and 274 were nontaxable. The gross estate reported on these estate tax returns was valued at \$22.8 million, net estate was \$15.9 million, and net estate tax was \$2.9 million. There were 50 returns with \$100,000 or more gross estate, 41 of which also had net estate of \$100,000 or more.

A return was required for the estate of every nonresident not a citizen of the United States if that part of his gross estate, as defined by law, situated in the United States exceeded \$2,000 in value at time of death. If death occurred prior to October 22, 1942, a return was required regardless of the gross value. The location of the property determined the internal revenue district in which the return was filed.

The entire gross estate for a nonresident alien is made up in the same manner as that of a citizen. However, only that part of the gross estate which is situated in the United States is subject to tax, and this is the amount that is shown in the tabulation. Death duty conventions in effect with 11 foreign countries provided variations in type and situs of property to be included. Gross estate value in the United States is either the value at time of death or the alternative value, whichever the executor adopted for tax purposes.

As a general rule, nonresident alien estates are allowed a specific exemption of \$2,000. Under certain treaties, however, a larger exemption, based on a prorated por-

tion of the specific exemption allowed a citizen, may be used.

The net estate to be taxed is the excess of gross estate in the United States over the allowable deductions. The tax rates are the same for nonresident alien estates as for those of citizens. The net estate tax shown in table 6 of this report is the gross estate tax minus tax credits.

EXPLANATION OF CLASSIFICATIONS AND TERMS

Classification of Estate Tax Returns

Data presented in the accompanying tables were classified according to significant features of the estate tax law. Returns of citizens and residents were tabulated separately from those for nonresident aliens, and both were classified as taxable and nontaxable returns. The more numerous returns for estates of citizens and residents were further classified by applicable revenue acts, by net estate before specific exemption classes, by gross estate classes, and by the State or Territory in which the return was filed. Returns with a tax credit for State inheritance taxes paid are also shown separately in one table.

Citizens and residents, and nonresident aliens.—The Federal estate tax law applies to two classes of decedents: (1) citizens and aliens residing in the United States and citizens residing abroad, and (2) nonresident aliens owning property located in the United States. These two categories were used in this report.

Applicable revenue acts.—Estate tax returns of citizens and residents were classified according to the revenue act under which the estate was administered, that is, the act in effect at date of death of the decedent. In table 1 the returns filed during 1955 were combined into three significant groups of revenue acts:

Acts	Date of death	Number of returns
1954 Code-----	On or after Aug. 17, 1954-----	13, 635
1948 Act-----	Jan. 1, 1948, through Aug. 16, 1954-----	22, 905
1942 and prior acts..	Before Jan. 1, 1948-----	55

The 55 returns in the last group were filed under the Revenue acts of 1942, 1941, 1940, and 1935.

Taxable and nontaxable returns.—This classification was based on the presence or absence of a gross tax before the allowance of the tax credits for State inheritance taxes, Federal gift taxes, tax on prior transfers (allowed only under the 1954 Code), and foreign death taxes.

Net estate before specific exemption classes.—These classes for taxable estates of citizens and residents were based on the sum of net estate (taxable estate under 1954 Code) and specific exemption, the net estate and exemption for additional tax being used if the estate was subject to the 1939 Code.

Gross estate classes.—The value of the entire estate of a citizen or resident alien served as the basis for this classification. The value was either the date of death

value or the optional value (alternative value under the 1954 Code), whichever was reported by the executor for estate tax purposes.

States and Territories.—Returns of citizens and residents were classified by the 48 States, Hawaii, Alaska, and the District of Columbia. This geographic breakdown agrees with the internal revenue districts, or groups of districts, in which the estate tax return was filed, with the exceptions of Alaska and the District of Columbia. In the latter two cases, the returns were filed within the districts of Seattle (Wash.) and Baltimore (Md.), respectively, and the classification was determined by the residence (domicile) of the individual at time of death.

Returns with State credit.—Returns for citizens and residents that had a tax credit for inheritance taxes paid to any State, Territory, District of Columbia, or possession of the United States were classified so that the amount of the tax credit might be associated with the amount of net estate and gross estate reported on such returns.

Gross Estate and Types of Property

The gross estate reported for estates of citizens and residents, as well as its components, was valued as of the date of the decedent's death, unless the executor adopted the optional value (alternative value under the 1954 Code) for estate tax purposes. Property held by the decedent and his surviving spouse as community property was included in the gross estate to the extent of the decedent's interest under the applicable law of the State, Territory, or foreign country. The value of property in gross estate was not diminished by mortgages, liens, or other encumbrances, such items being reported among deductions.

Total gross estate is the value of all property possessed to the extent of the decedent's interest therein at time of death, including real estate, tangible and intangible personal property, certain transfers made during the life of the decedent without adequate and full consideration, joint estates with right of survivorship, tenancies by the entirety, property over which the decedent had a power of appointment, dower and curtesy of surviving spouse, life insurance, and (under the 1954 Code) the decedent's interest in annuities receivable by a surviving beneficiary.

Real estate includes all real property situated in the United States, regardless of the schedule in which it was reported on the return, and embraces contracts to buy land, real estate jointly owned, as well as transfers of real estate made during life other than bona fide sales, and real estate with respect to which the decedent possessed a general power of appointment. Accrued rent at date of death was reported with the value of the property.

Bonds are tabulated in three categories: (1) Federal bonds of all types, whether the interest thereon was taxable, wholly tax-exempt, or partially tax-exempt; (2) State and municipal bonds, including bonds of Alaska,

Hawaii, and possessions of the United States as well as city, county, and other political subdivisions; and (3) other bonds such as foreign bonds, mortgage bonds, debenture bonds, convertible notes with coupons, sinking fund notes, and corporate bonds. Any interest accrued on these bonds at time of death was reported with the value of the bond from which the income was derived.

Corporate stock includes common and preferred shares and debenture stock of domestic and foreign corporations, building and loan or savings and loan shares or certificates, Federal Land Bank stock, and similar holdings in corporate enterprises evidenced by certificates of ownership. Dividends accrued at date of death on such holdings were reported with the value of the stock.

Cash includes currency on hand or in safety deposit, bank notes, checks, bank deposits, postal savings accounts, cash in broker's accounts, building and loan accounts, savings and loan accounts, and the like.

Mortgages and notes include promissory notes, loans, mortgages, trust deeds, and contracts to sell land. Accrued interest to date of death was reported with these intangibles.

Taxable insurance is life insurance carried on the life of the decedent. For insurance receivable for the benefit of the estate, the full amount of the proceeds was reported in gross estate. For insurance receivable by beneficiaries other than the estate, proceeds were reported in gross estate if, under the 1954 Code the decedent possessed more than 5 percent reversionary interest at his death or if, under the 1939 Code the premium test had been met.

Other property is the value of all property included in the gross estate not elsewhere tabulated, such as judgments, leaseholds, mineral and patent rights, royalties; tax sale certificates, debts due the decedent, interest in unincorporated business, household goods and personal effects, farm products and growing crops, livestock, farm machinery, automobiles, shares or interest in copartnerships and trust funds, remainderman interest, pensions, and annuities unless reported as insurance.

Deductions

Deductions authorized against the gross estate of citizens and residents were reported in full by the executor, even though some portion of certain of these deductions were not allowed. Authorized deductions vary under the different acts, some having been removed by subsequent acts. The provision which disallowed expenses of administration in excess of property subject to claims (introduced by the 1942 act) has been made less stringent under the 1954 Code, so that more of the expenses of administering the estate now are allowed and, consequently, the amount of disallowed deductions is less.

Total deductions are the sum of all the deductions reported, whether or not each was allowed in its entirety as a deduction from the value of gross estate.

Funeral and administrative expenses are a combination of funeral expenses of the decedent, commissions paid the executor (generally fixed by decree of the proper court), attorney's fees pertaining to settlement of the estate (but not fees incidental to litigation instituted by the beneficiaries regarding their respective interests), and expenses of administration such as witness fees, cost of probating the will, court costs, legal forms, postage, appraiser's, accountant's, and auctioneer's fees, expenses for collection of assets, surrogate's fees, expenses incurred in preserving and distributing the estate including cost of storing and maintaining the property for a reasonable time prior to distribution to beneficiaries, advertising for heirs, cost of title searches, and brokerage fees for selling property in the estate.

Debts and mortgages include all valid debts of the decedent existing at time of death whether or not then matured. Included are obligations secured by mortgages, notes secured by collateral, promissory notes, debts, claims against the decedent at time of death or other unsecured liens, and bona fide pledges or subscriptions of the decedent to make a contribution or gift to such religious, public, or charitable organizations as are permitted under the estate tax regulations.

Support of dependents is allowed only with respect to estates of individuals who died before September 24, 1950. It is the amount allowed by law of certain States and actually disbursed for support of decedent's dependents during settlement of the estate.

Net losses during administration are limited to those resulting from fire, storm, shipwreck, or other casualty, or from theft incurred during settlement of the estate, which are not compensated for by insurance or otherwise.

Marital deduction for bequests to surviving spouse is allowed only to estates of individuals who died on or after January 1, 1948. The deduction is allowed with respect to property interests included in the gross estate which qualify for the deduction and which pass or have passed from the decedent to the surviving spouse. The amount of the deduction is limited to the smaller of (a) one-half the value of adjusted gross estate, or (b) the value of the qualifying property interests passing to the surviving spouse. The deduction is not generally available where the gross estate consists exclusively of the decedent's interest in property held under community property law. Adjusted gross estate, used for the purpose of the limitation on marital deduction, is the excess of total gross estate over allowable deductions for funeral and administrative expenses, debts, and mortgages, and losses during administration.

Charitable bequests are authorized as a deduction from gross estate if the property transferred was to, or for the use of, organizations operated exclusively for religious, charitable, scientific, literary, or educational purposes, or transferred to the United States or any political division therein for public purposes, or transferred to any organization operated for the prevention of cruelty to children or animals.

Specific exemption is the \$60,000 allowed under the 1954 Code or that allowed for additional tax under the 1939 Code for each return, except that 12 estates filed under the 1941 and prior acts had exemption of \$40,000.

Net deduction for property previously taxed is allowed only to estates of individuals who died before August 17, 1954. The deduction is authorized with respect to property included in gross estate which was previously taxed either for estate tax purposes or for gift tax purposes. Such transfers included property received as gifts from a person within 5 years prior to the death of the decedent, or received by gift, bequest, or inheritance from a person who died within 5 years prior to the death of the decedent, or property acquired in exchange thereof. The property respecting which the deduction was claimed must have formed a part of the estate of the prior decedent or have been included in the total amount of the donor's gift, and an estate tax or a gift tax, as the case may be, must have actually been paid thereon. The tabulated deduction is that reported for additional tax purposes under the 1939 Code.

Disallowed deductions pertain to estates of individuals who died on or after October 22, 1942. The amount of disallowed deductions represents that portion of funeral and administration expenses, debts, liens, claims, and mortgages which could not be deducted from total gross estate because they did not meet the requirements for allowance as a deduction, provided in the particular law under which the estate was administered.

Allowable deductions are the amounts deducted from the value of gross estate as allowable deductions for the computation of the net estate (or taxable estate under the 1954 Code) upon which the tax is based. It is the excess of the total deductions reported by the executor over the disallowed deductions.

Net Estate, Estate Tax, and Tax Credits

Net estate before specific exemption is an item created for the purpose of the net estate size distribution. It is the excess of gross estate over the allowable deductions, exclusive of a specific exemption. For estates subject to both basic and additional taxes under the 1939 Code, it is equal to the sum of the net estate for additional tax and the \$60,000 exemption for additional tax. In other words, it is the net (or taxable) estate plus the specific exemption.

Net estate for basic tax applies to taxable returns administered under the 1939 Code. Net estate for basic tax is the estate value subject to the basic tax rates. It is the excess of gross estate over the allowable deductions for basic tax, which included a specific exemption of \$100,000 for each estate.

Net estate for additional tax consists of the taxable estate reported on returns taxed under the 1954 Code as well as the net estate for additional tax reported on returns taxed under the 1939 Code (see chart 1, p. 5). Net estate for additional tax under the 1939 Code is the value upon which the additional tax is based, namely,

the excess of gross estate over the allowable deductions for additional tax purposes, which included specific exemption of \$60,000 for each estate (except that 11 taxable estates, under 1941 and prior acts, had an exemption of \$40,000 each). Taxable estate under the 1954 Code is the excess of gross estate over allowable deductions which include \$60,000 specific exemption also.

Gross tax is a combination of the gross tax for estates taxed under the 1954 Code and the gross tax (tentative) for estates taxed under the 1939 Code, before the subtraction of tax credits. (In chart 1 on p. 5, gross tax is the sum of item 5 for the 1954 Code and item 8 for the 1939 Code.) The tentative gross tax under the 1939 Code resulted from the application of the tentative tax rates to the net estate for additional tax and ultimately determined the gross additional tax. The gross tax rates (except for nine estates under the 1935 and 1940 acts) are 3 percent of the first \$5,000 of net estate for additional tax (taxable estate under the 1954 Code), progressing at graduated rates to a maximum of 77 percent of the net (or taxable) estate in excess of \$10 million.

Basic tax for estates taxed under the 1939 Code is the gross basic tax before credits. The gross basic tax is computed on the net estate for basic tax at the rate of 1 percent of the value thereof not exceeding \$50,000, increasing by 1 percent at each tax bracket to a maximum of 20 percent of such net estate in excess of \$10 million.

Additional tax includes both the gross tax for estates taxed under the 1954 Code and the additional tax for estates taxed under the 1939 Code, each before tax credits. (In chart 1 on p. 5, additional tax is the sum of item 5 for the 1954 Code and item 10 for the 1939 Code.) Gross additional tax under the 1939 Code is the excess of the tentative tax (computed on the net estate for additional tax at tentative tax rates) over the gross basic tax. Gross tax under the 1954 Code is computed at the gross tax rates on the value of taxable estate.

Tax credit for State inheritance taxes relates to the estate, inheritance, legacy, or succession taxes paid as a result of the decedent's death to any State, Territory, District of Columbia, or possession of the United States with respect to property included in the gross estate. Under the 1939 Code, the amount of the tax credit allowed was limited to 80 percent of the gross basic tax. Under the 1954 Code, the maximum tax credit is determined by means of a table based on the taxable estate, which shows the amount of credit and percentage rate for the various taxable estate brackets above \$40,000.

Tax credit for Federal gift taxes is allowed for gift taxes imposed on the transfer from the decedent of property which is included in his gross estate. The tax credit is limited to the amount of gift tax attributable to such gifts included in gross estate but cannot exceed an amount which bears the same ratio to the estate tax reduced by State inheritance tax credit as the value of the included gifts bear to the entire gross estate when reduced by charitable bequests and the marital deduction.

Credit for prior transfers applies only to estates administered under the 1954 Code. Credit for prior transfers is allowed if the decedent received property from a transferor who died within 10 years before or 2 years after the decedent. This credit is based on the amount of Federal estate tax actually paid on such property in the estate of the transferor. Credit is allowed in full for the prior estate tax if the current decedent died within 2 years before or within 2 years after the death of the transferor. Eighty percent of the prior estate tax is allowed if the decedent died within 2 to 4 years after the transferor, 60 percent during the next 2 years, 40 percent during the 7th and 8th years after, 20 percent during the 9th and 10th years, and no credit is allowed after the end of the 10th year. However, the credit cannot reduce the estate tax of the current decedent below what it would have been if he had not received the property.

Tax credit for foreign death duties is authorized by statute in case of death after October 20, 1951, and also by treaty with 11 foreign countries, effective at various dates the earliest being June 4, 1941. To prevent double taxation with respect to property, situated in a foreign country, which is included in the gross estate of the decedent and which was subject to death duties by a foreign country, a tax credit is permitted against the Federal estate tax otherwise payable, for death taxes paid to the foreign country. Where the credit is authorized also by treaty the allowable credit is either the credit computed under the statute or the treaty, whichever is more beneficial to the estate.

Net estate tax is the net tax payable as reported by the executor at time of filing the estate tax return, allowable credits having been deducted.

TABLES FOR ESTATE TAX RETURNS

	Page
1. Gross estate by types of property, deductions, net estate, and tax, by applicable revenue acts.....	15
2. Gross estate by types of property, deductions, net estate, and tax for taxable returns filed under the 1948 or subsequent acts, by net estate classes.....	16
3. Gross estate by types of property, deductions, net estate, and tax for taxable returns filed under the 1948 or subsequent acts, by gross estate classes.....	17
4. Gross estate by types of property, deductions, and net estate before exemption for nontaxable returns filed under the 1948 or subsequent acts, by gross estate classes.....	18
5. Estate tax data by States and Territories.....	19
6. Number of returns, gross estate by types of property, selected deductions, net estate, and tax, 1945-55.....	20

ESTATE TAX RETURNS FILED DURING 1955

15

Table 1.—GROSS ESTATE BY TYPES OF PROPERTY, DEDUCTIONS, NET ESTATE, AND TAX, BY APPLICABLE REVENUE ACTS

Items	All estate			Applicable revenue acts					
	Total returns	Taxable returns	Nontaxable returns	1954 Code (estates of individuals who died on or after Aug. 17, 1954)		1948 act (estates of individuals who died in period Jan. 1, 1948 through Aug. 16, 1954)		1942 and prior acts (estates of individuals who died before Jan. 1, 1948)	
				Taxable returns	Nontaxable returns	Taxable returns	Nontaxable returns	Taxable returns	Nontaxable returns
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1 Number of returns.....	36,595	25,143	11,452	8,871	4,764	16,230	6,675	42	13
	(Thousand dollars)								
2 Total gross estate.....	7,467,443	6,387,246	1,080,197	1,725,552	429,938	4,657,862	649,175	3,832	1,084
3 Real estate.....	1,559,672	1,196,423	363,249	372,911	146,039	821,867	216,695	1,645	515
4 Federal bonds.....	457,054	389,405	67,649	119,668	31,154	269,425	36,490	312	5
5 State and municipal bonds.....	201,013	196,359	4,654	43,992	2,326	152,363	2,328	4	-
6 Other bonds.....	81,885	74,822	7,063	17,201	2,795	57,583	4,266	38	2
7 Corporate stock.....	3,073,922	2,841,031	232,891	715,899	92,806	2,124,641	139,891	491	194
8 Cash.....	747,880	617,609	130,271	197,280	57,353	419,703	72,821	626	97
9 Mortgages and notes.....	274,575	228,496	46,079	67,260	18,885	161,042	27,193	194	1
10 Taxable insurance.....	468,498	345,894	122,604	80,714	43,172	265,052	79,380	128	52
11 Other property.....	602,944	497,207	105,737	110,627	35,408	386,186	70,111	394	218
12 Total deductions.....	4,677,803	3,397,926	1,279,877	977,817	511,101	2,417,427	767,340	2,682	1,436
13 Funeral and administrative expenses.....	307,920	262,748	45,172	71,775	16,576	190,814	28,544	159	52
14 Debts and mortgages.....	382,648	277,281	105,367	59,111	30,012	217,972	74,829	198	526
15 Support of dependents.....	149	96	53	-	-	82	53	14	-
16 Net losses during administration.....	559	451	108	166	31	285	77	-	-
17 Marital deduction.....	1,371,730	1,023,127	348,603	259,783	145,371	763,344	203,232	-	-
18 Charitable bequests.....	397,835	307,395	90,440	54,722	33,271	252,662	57,115	11	54
19 Specific exemption.....	2,195,460	1,508,360	687,100	532,260	285,840	973,800	400,500	2,300	760
20 Net deduction for property previously taxed.....	21,502	18,468	3,034	-	-	18,468	2,990	-	44
21 Disallowed deductions.....	2,753	1,490	1,263	280	356	1,210	907	-	-
22 Allowable deductions.....	4,675,050	3,396,436	1,278,614	977,537	510,745	2,416,217	766,433	2,682	1,436
23 Net estate—									
24 Before specific exemption.....	14,987,853	4,499,170	1488,683	1,280,275	1205,033	3,215,445	1283,242	3,450	1408
25 For basic tax.....	1,765,998	1,765,998	-	-	-	1,765,723	-	275	-
25 For additional tax.....	2,990,810	2,990,810	-	748,015	-	2,241,645	-	1,150	-
26 Tax before credits:									
27 Gross tax.....	872,471	872,471	-	202,105	-	670,216	-	150	-
27 Basic tax.....	85,437	85,437	-	-	-	85,432	-	5	-
28 Additional tax.....	787,034	787,034	-	202,105	-	584,784	-	145	-
29 Tax credits:									
30 State inheritance taxes.....	86,249	86,249	-	18,403	-	67,842	-	4	-
30 Federal gift taxes.....	1,353	1,353	-	511	-	842	-	-	-
31 Prior transfers.....	2,646	2,646	-	2,646	-	-	-	-	-
32 Foreign death duties.....	3,881	3,881	-	2,492	-	1,389	-	-	-
33 Net estate tax.....	778,342	778,342	-	178,053	-	600,143	-	146	-

See text for estate tax returns for "Explanation of Classifications and Terms."

¹Net estate before specific exemption in excess of negative amounts.

ESTATE TAX RETURNS FILED DURING 1955

Table 2.—GROSS ESTATE BY TYPES OF PROPERTY, DEDUCTIONS, NET ESTATE, AND TAX FOR TAXABLE RETURNS FILED UNDER THE 1948 OR SUBSEQUENT ACTS, BY NET ESTATE CLASSES

Items		Total	Net estate before specific exemption classes									
			\$60,000 under \$80,000	\$80,000 under \$100,000	\$100,000 under \$150,000	\$150,000 under \$200,000	\$200,000 under \$300,000	\$300,000 under \$400,000	\$400,000 under \$500,000	\$500,000 under \$600,000	\$600,000 under \$700,000	\$700,000 under \$800,000
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Number of returns.....	25,101	7,968	4,689	5,487	2,294	2,099	872	487	296	189	126
(Thousand dollars)												
2	Total gross estate.....	6,383,414	833,820	610,887	960,096	567,054	706,524	428,863	297,868	223,200	163,119	123,456
3	Real estate.....	1,194,778	262,092	174,648	244,636	122,774	129,164	61,131	36,800	28,041	17,985	12,874
4	Federal bonds.....	389,093	56,368	42,905	63,524	36,513	50,174	26,689	21,787	12,770	9,709	7,135
5	State and municipal bonds.....	196,355	3,820	2,428	6,530	6,034	11,951	14,620	8,430	9,039	7,908	5,004
6	Other bonds.....	74,784	6,253	5,872	12,294	6,777	11,131	5,452	4,760	3,499	2,466	2,466
7	Corporate stock.....	2,840,540	223,653	181,448	334,040	222,966	310,408	215,740	152,495	124,349	87,312	70,119
8	Cash.....	616,983	108,248	75,745	110,661	64,024	70,684	37,848	27,923	16,380	12,803	9,667
9	Mortgages and notes.....	228,302	37,463	28,653	41,499	23,807	25,671	17,010	9,630	6,959	4,592	4,345
10	Taxable insurance.....	345,766	67,410	48,055	69,738	34,995	41,503	21,352	15,548	7,375	6,824	4,206
11	Other property.....	496,813	68,513	51,133	77,174	49,164	55,838	29,021	20,495	14,788	13,520	7,860
12	Total deductions.....	3,395,244	761,329	474,398	626,932	310,299	323,303	180,122	109,404	78,548	52,596	36,375
13	Funeral and administrative expenses.....	262,589	36,691	26,700	43,161	25,065	30,203	17,998	12,211	8,505	6,593	4,722
14	Debts and mortgages.....	277,083	43,869	30,280	50,377	25,302	29,891	17,679	10,817	6,999	5,405	4,042
15	Support of dependents.....	82	14	6	59	-	3	-	-	-	-	-
16	Net losses during administration.....	451	135	35	50	21	12	30	2	(1)	100	2
17	Marital deduction.....	1,023,127	161,237	118,515	172,132	95,517	118,373	61,324	44,978	29,392	23,438	16,255
18	Charitable bequests.....	307,384	39,421	15,755	28,809	24,656	15,240	29,267	11,337	15,233	5,181	3,063
19	Specific exemption.....	1,506,060	478,080	281,340	329,220	137,640	125,940	52,320	29,220	17,760	11,340	7,560
20	Net deduction for property previously taxed.....	18,468	1,882	1,767	3,124	2,098	3,641	1,504	839	659	539	731
21	Disallowed deductions.....	1,490	345	222	230	196	170	135	45	9	105	25
22	Allowable deductions.....	3,393,754	760,984	474,176	626,702	310,103	323,133	179,987	109,359	78,539	52,491	36,350
Net estate—												
23	Before specific exemption.....	4,495,720	550,916	418,051	662,614	394,591	509,331	301,196	217,729	162,421	121,968	94,666
24	For basic tax.....	1,765,723	48	359	76,871	115,789	222,335	164,697	129,230	106,632	75,808	71,471
25	For additional tax.....	2,989,660	72,836	136,711	333,394	256,951	383,391	248,876	188,509	144,661	110,628	87,106
Tax before credits:												
26	Gross tax.....	872,321	4,465	13,947	54,675	55,795	95,506	67,002	53,380	42,115	33,181	26,769
27	Basic tax.....	85,432	(1)	4	781	1,517	4,330	4,235	3,861	3,549	2,746	2,805
28	Additional tax.....	786,889	4,465	13,943	53,894	54,278	91,176	62,767	49,519	38,566	30,435	23,964
Tax credits:												
29	State inheritance taxes.....	86,245	(1)	5	960	1,726	4,654	4,361	4,012	3,530	2,977	2,504
30	Federal gift taxes.....	1,353	6	13	143	132	229	229	179	33	184	45
31	Prior transfers.....	2,646	18	49	311	219	530	227	173	179	177	27
32	Foreign death duties.....	3,881	5	16	77	117	156	158	119	117	159	100
33	Net estate tax.....	778,196	4,436	13,864	53,184	53,601	89,937	62,027	48,897	38,256	29,684	24,093

Items		Net estate before specific exemption classes—Continued									
		\$800,000 under \$900,000	\$900,000 under \$1,000,000	\$1,000,000 under \$2,000,000	\$2,000,000 under \$3,000,000	\$3,000,000 under \$4,000,000	\$4,000,000 under \$5,000,000	\$5,000,000 under \$7,000,000	\$7,000,000 under \$10,000,000	\$10,000,000 under \$20,000,000	\$20,000,000 or more
		(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
1	Number of returns.....	94	78	295	71	24	10	10	6	4	2
(Thousand dollars)											
2	Total gross estate.....	104,436	108,230	536,029	268,956	106,104	50,677	68,733	58,788	72,358	94,216
3	Real estate.....	11,640	9,435	44,731	14,531	8,648	1,689	7,452	3,336	1,858	1,313
4	Federal bonds.....	5,579	6,478	27,360	9,987	4,355	445	1,814	3,544	1,487	470
5	State and municipal bonds.....	6,845	9,672	39,587	18,887	11,056	6,548	12,673	2,092	6,600	6,631
6	Other bonds.....	1,141	2,105	6,819	2,590	716	346	95	28	91	103
7	Corporate stock.....	57,660	57,284	311,668	183,989	68,331	33,306	22,760	45,148	55,930	81,934
8	Cash.....	8,367	6,647	34,641	10,656	4,915	4,337	3,956	3,650	2,589	3,242
9	Mortgages and notes.....	3,079	2,425	17,785	3,055	1,136	46	617	269	160	101
10	Taxable insurance.....	3,606	3,540	16,124	3,836	424	454	692	68	16	-
11	Other property.....	6,519	10,644	37,314	21,425	6,523	3,506	18,674	653	3,627	422
12	Total deductions.....	30,093	39,040	148,924	102,531	27,030	6,719	13,177	8,157	21,591	44,676
13	Funeral and administrative expenses.....	3,404	3,344	18,919	8,078	3,462	1,224	2,350	2,365	4,502	3,092
14	Debts and mortgages.....	4,477	6,098	24,799	6,685	1,739	745	289	1,085	1,839	4,666
15	Support of dependents.....	-	-	-	-	-	-	-	-	-	-
16	Net losses during administration.....	-	-	(1)	31	-	-	-	-	33	-
17	Marital deduction.....	13,374	18,394	62,483	22,115	16,774	866	3,814	4,142	14,161	25,843
18	Charitable bequests.....	2,782	6,519	24,332	60,790	3,615	3,284	6,124	205	816	10,955
19	Specific exemption.....	5,640	4,680	17,700	4,260	1,440	600	600	360	240	120
20	Net deduction for property previously taxed.....	416	5	691	572	-	-	-	-	-	-
21	Disallowed deductions.....	8	-	-	-	-	-	-	-	-	-
22	Allowable deductions.....	30,085	39,040	148,924	102,531	27,030	6,719	13,177	8,157	21,591	44,676
Net estate—											
23	Before specific exemption.....	79,991	73,870	404,805	170,685	80,514	44,558	56,156	50,991	51,007	49,660
24	For basic tax.....	52,557	53,546	311,716	127,434	58,593	34,916	49,717	43,343	21,201	49,460
25	For additional tax.....	74,351	69,190	387,105	166,425	79,074	43,958	55,556	50,631	50,767	49,540
Tax before credits:											
26	Gross tax.....	23,354	22,144	133,742	65,591	34,320	20,876	28,424	29,469	32,644	34,922
27	Basic tax.....	2,202	2,394	17,281	9,120	4,954	3,316	5,246	5,544	2,948	8,599
28	Additional tax.....	21,152	19,750	116,461	56,471	29,366	17,560	23,178	23,925	29,696	26,323
Tax credits:											
29	State inheritance taxes.....	2,365	2,339	16,509	9,170	5,176	3,305	4,652	5,092	6,029	6,879
30	Federal gift taxes.....	-	33	109	12	6	-	-	-	-	-
31	Prior transfers.....	14	(1)	276	4	-	-	-	-	442	-
32	Foreign death duties.....	98	29	372	93	45	21	20	-	2,160	19
33	Net estate tax.....	20,877	19,743	116,476	56,312	29,093	17,550	23,752	24,377	24,013	28,024

See text for estate tax returns for "Explanation of Classifications and Terms."

1 Less than \$500.

Table 3.—GROSS ESTATE BY TYPES OF PROPERTY, DEDUCTIONS, NET ESTATE, AND TAX FOR TAXABLE RETURNS FILED UNDER THE 1946 OR SUBSEQUENT ACTS, BY GROSS ESTATE CLASSES

	Items	Total	Gross estate classes																
			\$60,000 under \$70,000	\$70,000 under \$80,000	\$80,000 under \$90,000	\$90,000 under \$100,000	\$100,000 under \$120,000	\$120,000 under \$150,000	\$150,000 under \$200,000	\$200,000 under \$300,000	\$300,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$2,000,000	\$2,000,000 under \$3,000,000	\$3,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$20,000,000		\$20,000,000 or more
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
1	Number of returns.....	25,101	1,326	2,202	2,017	1,581	2,525	3,632	3,903	3,508	2,332	1,367	471	120	69	37	7	4	1
(Thousand dollars)																			
2	Total gross estate.....	6,383,414	88,863	164,672	171,318	150,052	275,502	489,737	672,836	851,154	886,563	923,960	637,319	292,625	259,732	246,505	91,689	180,887	2
3	Real estate.....	1,194,778	29,967	55,024	56,817	51,079	90,790	140,972	166,054	191,297	158,846	124,612	61,234	25,719	16,115	14,326	9,981	1,945	3
4	Federal bonds.....	389,093	8,126	13,366	13,975	11,866	19,132	36,353	43,683	58,361	56,848	57,052	36,569	16,014	8,504	7,284	1,490	470	4
5	State and municipal bonds.....	196,355	126	393	281	357	718	1,576	3,458	7,676	14,623	31,383	41,977	23,678	28,093	28,498	6,785	6,733	5
6	Other bonds.....	74,784	745	1,412	1,919	1,442	2,600	4,619	6,571	10,651	13,374	13,193	9,108	3,247	2,210	3,499	91	103	6
7	Corporate stock.....	2,840,540	21,494	43,628	45,337	39,616	80,175	145,781	223,694	320,388	393,793	472,620	361,061	171,233	150,848	152,576	53,896	164,400	7
8	Cash.....	616,983	16,005	27,288	26,951	21,990	36,577	60,912	79,226	89,263	83,669	76,270	47,167	13,649	14,532	15,237	3,318	4,929	8
9	Mortgages and notes.....	228,302	3,916	8,170	7,500	6,481	13,517	22,421	31,604	33,996	35,864	30,475	15,137	9,431	4,938	4,483	65	304	9
10	Taxable insurance.....	345,766	3,075	5,618	6,576	6,415	12,993	38,955	58,253	67,347	57,854	49,707	23,115	7,737	5,531	2,340	205	45	10
11	Other property.....	496,813	5,409	9,773	11,962	10,806	19,000	38,148	60,293	72,175	71,692	68,648	41,951	21,917	28,961	18,262	15,858	1,958	11
12	Total deductions.....	3,395,244	84,719	144,453	137,130	111,066	188,323	348,862	444,260	486,140	420,496	368,921	220,072	91,040	91,216	113,594	30,282	114,670	12
13	Funeral and administrative expenses.....	262,589	3,770	8,296	8,706	7,419	13,312	20,794	29,193	35,812	38,381	36,754	24,097	10,577	8,639	6,271	4,528	6,040	13
14	Debts and mortgages.....	277,083	946	3,058	4,049	4,873	9,658	15,930	27,732	44,499	45,807	46,881	26,316	10,090	10,180	18,258	3,701	5,105	14
15	Support of dependents.....	82	-	2	-	-	60	3	8	6	-	2	-	-	-	-	-	-	15
16	Net losses during administration.....	451	10	11	18	14	21	91	31	28	22	120	21	31	-	-	33	-	16
17	Marital deduction.....	1,023,127	300	455	2,399	2,882	11,375	89,846	144,955	176,924	168,420	165,027	99,724	37,768	38,122	40,414	4,510	40,006	17
18	Charitable bequests.....	307,384	127	467	793	805	1,929	3,462	6,425	15,125	24,480	33,817	39,049	24,576	29,529	46,431	17,090	63,279	18
19	Specific exemption.....	1,506,060	79,560	132,120	121,020	94,860	151,500	217,920	234,180	210,480	139,920	82,020	28,260	7,200	4,140	2,220	420	240	19
20	Net deduction for property previously taxed.....	18,468	6	44	145	212	468	816	1,736	3,266	3,466	4,300	2,605	798	606	-	-	-	20
21	Disallowed deductions.....	1,490	73	48	57	26	111	85	270	253	265	220	82	-	-	-	-	-	21
22	Allowable deductions.....	3,393,754	84,646	144,405	137,073	111,040	188,212	348,777	443,990	485,887	420,231	368,701	219,990	91,040	91,216	113,594	30,282	114,670	22
23	Net estate—																		
24	Before specific exemption.....	4,495,720	83,777	152,387	155,265	133,872	238,790	358,880	463,026	575,747	606,252	637,279	445,589	208,785	172,656	135,131	61,827	66,457	23
24	For basic tax.....	1,765,723	-	-	-	-	3,510	26,700	70,257	165,711	283,977	389,590	335,495	152,619	133,177	106,882	45,809	51,996	24
25	For additional tax.....	2,989,660	4,217	20,267	34,245	39,012	87,290	140,960	228,846	365,267	466,332	555,259	417,329	201,585	168,516	132,911	61,407	66,217	25
26	Tax before credits:																		
27	Gross tax.....	872,321	264	1,108	2,707	3,742	10,483	21,599	41,852	80,280	119,523	160,751	136,749	75,288	69,627	65,434	37,706	45,208	26
27	Basic tax.....	85,432	-	-	-	-	38	270	832	2,777	6,599	12,887	16,318	9,854	10,260	10,777	6,034	8,786	27
28	Additional tax.....	786,889	264	1,108	2,707	3,742	10,445	21,329	41,020	77,503	112,924	147,864	120,431	65,434	59,367	54,657	31,672	36,422	28
29	Tax credits:																		
30	State inheritance taxes.....	86,245	9	(1)	(1)	2	54	376	1,010	3,116	6,927	13,239	15,271	10,015	10,181	10,518	6,765	8,762	29
31	Federal gift taxes.....	1,353	(1)	1	6	5	24	56	133	159	436	347	142	14	16	14	-	-	30
31	Prior transfers.....	2,646	(1)	3	7	14	46	64	182	537	527	522	294	4	4	-	442	-	31
32	Foreign death duties.....	3,881	5	1	3	4	9	31	68	103	232	523	491	118	73	41	41	2,138	32
33	Net estate tax.....	778,196	250	1,103	2,691	3,717	10,350	21,072	40,459	76,365	111,401	146,120	120,551	65,137	59,353	54,861	30,458	34,308	33

See text for estate tax returns for "Explanation of Classifications and Terms."

¹Less than \$500.

Table 4.—GROSS ESTATE BY TYPES OF PROPERTY, DEDUCTIONS, AND NET ESTATE BEFORE EXEMPTION FOR NONTAXABLE RETURNS FILED UNDER THE 1948 SUBSEQUENT ACTS, BY GROSS ESTATE CLASSES

Items	Total	Gross estate classes													
		Under \$60,000	\$60,000 under \$70,000	\$70,000 under \$80,000	\$80,000 under \$90,000	\$90,000 under \$100,000	\$100,000 under \$120,000	\$120,000 under \$150,000	\$150,000 under \$200,000	\$200,000 under \$300,000	\$300,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$2,000,000	\$2,000,000 under \$3,000,000	\$3,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1 Number of returns.....	11,439	6	2,978	2,047	1,676	1,311	2,071	869	265	137	44	25	9	1	-
(Thousand dollars)															
2 Total gross estate.....	1,079,113	342	192,444	153,333	142,451	124,374	226,736	112,679	44,690	32,092	16,699	17,621	12,709	2,943	-
3 Real estate.....	362,734	43	70,210	57,495	50,176	42,127	72,307	37,345	15,847	7,858	3,010	3,579	1,973	764	-
4 Federal bonds.....	67,644	14	13,916	10,644	9,288	8,004	12,490	4,697	1,590	2,573	1,266	1,875	1,170	117	-
5 State and municipal bonds.....	4,654	-	166	222	157	122	337	275	240	229	777	437	1,031	661	-
6 Other bonds.....	7,061	-	836	843	608	589	1,488	710	491	427	265	690	114	-	-
7 Corporate stock.....	232,697	52	37,266	28,108	26,691	24,226	51,525	23,916	10,841	11,478	6,586	6,630	4,490	888	-
8 Cash.....	130,174	2	29,817	19,843	17,127	15,362	25,186	10,171	3,410	3,043	1,577	2,019	2,390	227	-
9 Mortgages and notes.....	46,078	-	9,842	6,151	6,045	5,654	9,487	4,731	1,555	928	824	256	351	254	-
10 Taxable insurance.....	122,552	-	14,635	16,383	18,213	16,688	31,243	17,175	4,466	2,461	754	397	137	-	-
11 Other property.....	105,519	231	15,756	13,644	14,146	11,602	22,673	13,659	6,250	3,095	1,640	1,738	1,053	32	-
12 Total deductions.....	1,278,441	418	241,710	198,047	174,860	145,523	249,771	121,624	50,728	36,978	18,301	19,968	17,523	2,990	-
13 Funeral and administration expenses.....	45,120	12	10,006	6,628	5,374	4,575	7,953	4,589	2,111	1,739	695	847	591	-	-
14 Debts and mortgages.....	104,841	18	9,851	10,499	9,289	7,328	15,695	15,565	13,387	9,863	3,117	4,493	5,736	-	-
15 Support of dependents.....	53	-	2	5	22	2	22	-	-	-	-	-	-	-	-
16 Net losses during administration.....	108	-	20	17	11	6	25	28	1	-	-	-	-	-	-
17 Marital deduction.....	348,603	28	38,018	53,033	55,557	50,873	95,613	40,930	8,704	3,332	1,212	641	662	-	-
18 Charitable bequests.....	90,386	-	4,993	4,774	3,652	3,769	5,928	8,125	9,647	13,450	10,637	12,487	9,994	2,930	-
19 Specific exemption.....	686,340	360	178,680	122,820	100,560	78,660	124,260	52,140	15,900	8,220	2,640	1,500	540	60	-
20 Net deduction for property previously taxed.....	2,990	-	140	271	395	310	275	247	978	374	-	-	-	-	-
21 Disallowed deductions.....	1,263	1	11	115	64	20	464	298	148	140	2	-	-	-	-
22 Allowable deductions.....	1,277,178	417	241,699	197,932	174,796	145,503	249,307	121,326	50,580	36,838	18,299	19,968	17,523	2,990	-
23 Net estate before specific exemption.....	1,488,275	285	1129,425	1,78,221	1,68,215	1,57,531	1,101,689	1,43,493	1,10,010	1,3,474	1,1,040	2,847	2,4,274	13	-

See text for estate tax returns for "Explanation of Classifications and Terms."

¹Net estate before specific exemption in excess of negative amounts.²Negative amount of net estate before specific exemption in excess of positive amounts.

ESTATE TAX RETURNS FILED DURING 1955

19

Table 5.—ESTATE TAX DATA BY STATES AND TERRITORIES

States and Territories in which returns were filed			Total number of returns	Number of nontaxable returns	Taxable returns								
					Number of returns	Gross estate (Thousand dollars)	Net estate for additional tax (Thousand dollars)	Gross tax (before credits) (Thousand dollars)	Net estate tax (Thousand dollars)	Returns with State credit			
										Number of returns	Net estate for additional tax (Thousand dollars)	Gross tax (before credits) (Thousand dollars)	Credit for State inheritance taxes (Thousand dollars)
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Alabama.....	275	83	192	42,761	19,419	4,844	4,487	97	17,835	4,707	357	1
2	Alaska.....	16	6	10	1,863	315	45	44	3	198	34	1	2
3	Arizona.....	133	36	97	17,188	7,597	1,814	1,672	49	6,788	1,740	142	3
4	Arkansas.....	232	74	158	36,937	14,472	3,467	3,234	80	13,140	3,346	231	4
5	California.....	3,704	878	2,826	636,235	321,186	85,612	77,926	1,441	297,417	83,453	7,257	5
6	Colorado.....	375	137	238	52,739	20,387	4,846	4,519	114	18,424	4,674	316	6
7	Connecticut.....	708	200	508	189,670	102,632	33,174	29,189	294	99,011	32,841	3,805	7
8	Delaware.....	106	30	76	28,947	9,513	2,632	2,398	44	9,082	2,597	234	8
9	District of Columbia.....	265	63	202	50,245	26,935	7,756	6,964	107	25,439	7,628	752	9
10	Florida.....	1,027	370	657	191,844	87,463	26,842	23,886	332	82,097	26,371	2,826	10
11	Georgia.....	373	109	264	66,825	30,091	8,092	7,384	129	27,706	7,858	705	11
12	Hawaii.....	56	22	34	8,730	4,667	1,218	1,127	22	4,482	1,201	91	12
13	Idaho.....	109	19	90	15,987	7,949	1,939	1,826	38	6,390	1,692	113	13
14	Illinois.....	2,880	870	2,010	530,334	248,420	80,994	71,259	942	229,967	79,294	9,536	14
15	Indiana.....	966	353	613	120,570	47,050	11,255	10,443	237	40,935	10,723	808	15
16	Iowa.....	1,223	534	689	97,772	32,722	6,432	6,088	216	25,114	5,739	305	16
17	Kansas.....	731	283	448	87,900	32,035	7,610	7,049	178	27,608	7,227	545	17
18	Kentucky.....	448	151	297	63,375	29,085	7,326	6,789	138	26,359	7,046	536	18
19	Louisiana.....	285	38	247	61,126	37,141	10,568	9,537	131	35,112	10,389	1,010	19
20	Maine.....	242	76	166	41,413	18,610	4,787	4,384	93	17,302	4,666	378	20
21	Maryland.....	554	149	405	100,973	49,511	14,000	12,623	215	46,065	13,662	1,320	21
22	Massachusetts.....	1,379	397	982	271,545	144,010	41,093	37,137	554	136,559	40,411	3,837	22
23	Michigan.....	920	272	648	177,284	78,231	21,986	19,856	333	72,744	21,466	2,042	23
24	Minnesota.....	741	308	433	90,065	40,153	10,196	9,364	186	36,031	9,840	819	24
25	Mississippi.....	196	54	142	28,359	10,969	2,484	2,343	72	9,982	2,406	140	25
26	Missouri.....	814	246	568	148,734	65,056	17,428	15,842	283	60,443	17,027	1,492	26
27	Montana.....	189	82	107	22,749	9,446	2,350	2,150	52	8,595	2,280	189	27
28	Nebraska.....	607	226	381	70,870	25,842	5,906	5,474	158	22,078	5,567	408	28
29	Nevada.....	47	11	36	11,512	6,082	1,811	1,801	4	682	170	10	29
30	New Hampshire.....	151	40	111	27,127	11,484	2,879	2,647	52	10,299	2,752	205	30
31	New Jersey.....	1,560	489	1,071	245,361	108,938	29,310	26,576	518	99,507	28,475	2,578	31
32	New Mexico.....	73	16	57	13,598	7,638	2,191	1,948	29	7,122	2,144	210	32
33	New York.....	4,781	1,721	3,060	1,006,726	495,710	168,403	145,261	1,634	468,618	165,002	19,659	33
34	North Carolina.....	495	148	347	71,817	29,887	7,212	6,680	170	26,905	6,957	499	34
35	North Dakota.....	141	58	83	12,586	3,384	573	557	35	2,772	526	15	35
36	Ohio.....	1,877	598	1,279	306,385	144,038	39,148	35,707	636	132,647	37,980	3,369	36
37	Oklahoma.....	424	169	255	57,423	22,424	5,653	5,181	110	20,278	5,470	448	37
38	Oregon.....	373	125	248	66,332	32,023	8,920	8,065	116	29,655	8,710	818	38
39	Pennsylvania.....	2,268	668	1,600	446,278	216,147	65,433	58,452	849	203,353	64,273	6,821	39
40	Rhode Island.....	225	68	157	52,957	27,785	8,061	7,284	97	26,781	7,972	773	40
41	South Carolina.....	207	65	142	58,649	25,357	11,741	7,757	78	24,158	11,631	1,864	41
42	South Dakota.....	191	80	111	16,707	4,947	987	938	29	3,676	876	49	42
43	Tennessee.....	362	128	234	56,036	24,190	6,389	5,847	103	22,095	6,203	542	43
44	Texas.....	1,340	189	1,151	324,014	155,219	48,747	43,224	585	145,271	47,856	5,368	44
45	Utah.....	87	27	60	9,955	3,888	821	780	26	3,295	768	39	45
46	Vermont.....	90	28	62	11,983	4,830	1,033	970	36	4,350	989	43	46
47	Virginia.....	616	201	415	102,654	37,265	9,143	8,484	205	33,791	8,837	626	47
48	Washington.....	534	79	455	75,338	36,598	8,537	7,963	204	32,562	8,185	568	48
49	West Virginia.....	218	82	136	34,257	18,340	5,097	4,636	77	17,577	5,031	461	49
50	Wisconsin.....	911	375	536	116,389	50,336	12,947	11,889	243	45,524	12,532	1,051	50
51	Wyoming.....	70	21	49	10,122	3,393	739	701	21	2,915	697	38	51
52	Total.....	36,595	11,452	25,143	6,387,246	2,990,810	872,471	778,342	12,395	2,766,736	849,921	86,249	52

See text for estate tax returns for "Explanation of Classifications and Terms."

ESTATE TAX RETURNS FILED DURING 1945-1955

Table 6.—NUMBER OF RETURNS, GROSS ESTATE BY TYPES OF PROPERTY, SELECTED DEDUCTIONS, NET ESTATE, AND TAX, 1945-1955

Items		Returns filed during—								
		1955	1954	1951	1950	1949	1948	1947	1945	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
RETURNS OF CITIZENS AND RESIDENTS										
1	Number of returns, total.....	36,595	36,699	27,958	25,858	24,552	23,356	20,899	15,898	1
2	Taxable.....	25,143	24,997	18,941	17,411	17,469	19,742	18,232	13,869	2
3	Nontaxable.....	11,452	11,702	9,017	8,447	7,083	3,614	2,667	2,029	3
(Thousand dollars)										
4	Gross estate, total.....	7,467,443	7,411,754	5,504,961	4,918,094	4,933,215	4,774,783	4,224,210	3,436,901	4
5	Real estate.....	1,559,672	1,551,720	(1)	1,009,133	950,521	894,504	763,631	521,570	5
6	Federal bonds.....	457,054	490,793	(1)	425,650	425,879	434,678	378,936	289,245	6
7	State and municipal bonds.....	201,013	239,321	(1)	138,984	193,654	154,323	164,925	195,391	7
8	Other bonds.....	81,885	91,245	(1)	89,263	94,891	104,472	111,184	137,059	8
9	Corporate stock.....	3,073,922	2,982,597	(1)	1,773,054	1,802,641	1,772,128	1,621,747	1,358,301	9
10	Cash.....	747,880	745,028	(1)	524,604	549,139	551,140	439,812	330,195	10
11	Mortgages and notes.....	274,575	253,293	(1)	191,583	171,480	152,882	137,307	123,337	11
12	Taxable insurance.....	468,498	476,151	(1)	356,691	348,297	325,424	289,003	237,212	12
13	Other property.....	602,944	581,604	(1)	409,134	396,713	385,231	317,665	244,591	13
14	Deductions, total.....	4,677,803	4,647,459	(1)	3,154,994	2,950,399	2,246,035	1,941,919	1,570,660	14
15	Marital deduction.....	1,371,730	1,343,926	923,210	799,597	583,614	41,979	-	-	15
16	Charitable bequests.....	397,835	354,542	274,398	205,863	296,150	223,125	185,627	191,701	16
17	Specific exemption.....	2,195,460	2,201,560	1,677,190	1,550,830	1,472,150	1,399,860	1,252,010	949,350	17
18	Other deductions.....	712,778	747,431	(1)	598,705	598,485	581,071	504,282	429,609	18
19	Disallowed deductions.....	2,753	2,987	(1)	7,243	8,036	3,492	2,972	3,796	19
20	Allowable deductions.....	4,675,050	4,644,472	3,479,886	3,147,751	2,942,363	2,242,543	1,938,947	1,566,864	20
21	Net estate.....	2,990,810	2,969,174	2,188,878	1,916,645	2,106,827	2,584,595	2,319,310	1,900,159	21
22	Net estate tax.....	778,342	778,504	577,401	483,520	567,421	714,707	621,966	531,052	22
RETURNS OF NONRESIDENT ALIENS										
23	Number of returns, total.....	970	973	1,044	1,286	1,352	1,025	1,108	652	23
24	Taxable.....	696	687	819	1,115	1,240	(1)	(1)	(1)	24
25	Nontaxable.....	274	286	225	171	112	(1)	(1)	(1)	25
(Thousand dollars)										
26	Gross estate in the United States.....	22,803	23,383	20,666	24,157	24,511	16,266	27,198	13,524	26
27	Net estate.....	15,948	16,206	16,052	18,192	19,356	12,602	21,872	10,997	27
28	Net estate tax.....	2,913	3,096	3,081	3,229	3,407	1,825	4,389	1,876	28

¹Data not available.

*Synopsis of
Estate Tax
Law*

ESTATE TAX LAW TABLES

	Page
A. Requirement for filing return, specific exemption, and tax credit for estates of citizens and aliens who died after October 22, 1942-----	23
B. Tax and tax rates under estate tax law for estates of citizens and aliens who died after October 22, 1942-----	23
22	

SYNOPSIS OF ESTATE TAX LAW

23

Table A.—REQUIREMENT FOR FILING RETURN, SPECIFIC EXEMPTION, AND TAX CREDITS FOR ESTATES OF CITIZENS AND ALIENS WHO DIED AFTER OCT. 22, 1942¹

Federal estate tax law (date of enactment)	Effective period	Return required if gross estate ² is for—		Specific exemption		Tax credits against gross estate tax
		Citizen or resident alien and in excess of—	Nonresident alien and in excess of—	Citizen or resident alien	Nonresident alien	
		Dollars	Dollars	Dollars	Dollars	
Internal Revenue Code of 1954 (Aug. 16, 1954).	Aug. 17, 1954 and thereafter	60,000	2,000	60,000	2,000	{ State inheritance taxes paid. Federal gift taxes paid under 1924, 1932, and subsequent acts. Estate tax paid on prior transfers. Foreign death taxes paid.
Internal Revenue Code of 1939—						
Additional tax:						
Revenue Act of 1951 (Oct. 20, 1951) ..	Oct. 21, 1951 - Aug. 16, 1954	60,000	2,000	60,000	2,000	{ Federal gift taxes paid under 1932 and subsequent acts. Foreign death duties paid.
Revenue Act of 1942 (Oct. 21, 1942) ..	Oct. 22, 1942 - Oct. 20, 1951	60,000	2,000	60,000	2,000	{ Federal gift taxes paid under 1932 and subsequent acts.
Basic tax:						
Revenue Act of 1951 (Oct. 20, 1951) ..	Oct. 21, 1951 - Aug. 16, 1954	100,000	2,000	100,000	2,000	{ State inheritance taxes paid. Federal gift taxes paid under 1924, 1932, and subsequent acts. Foreign death duties paid.
Revenue Act of 1942 (Oct. 21, 1942) ..	Oct. 22, 1942 - Oct. 20, 1951	100,000	2,000	100,000	2,000	{ State inheritance taxes paid. Federal gift taxes paid under 1924, 1932, and subsequent acts.

¹This table does not include provisions under the various treaty conventions between the United States and foreign countries. For estate tax provisions prior to the Revenue Act of 1942, see *Statistics of Income for 1950, Part 1*, pages 336-337.

²Gross estate value for which a return must be filed is the value at date of death, regardless of the fact that the alternative value may be used for tax purposes.

Table B.—TAX AND TAX RATES UNDER ESTATE TAX LAW FOR ESTATES OF CITIZENS AND ALIENS WHO DIES AFTER OCT. 22, 1942¹

Net estate or taxable estate ²		Basic tax (tax in column 3 plus tax computed as indicated in column 4)		Tentative or gross tax (tax in column 5 plus tax computed as indicated in column 6) ³	
Amount equaling— (1)	Amount not over— (2)	Tax on amount in column 1 (3)	Rate of tax on excess over amount in column 1 (4)	Tax on amount in column 1 (5)	Rate of tax on excess over amount in column 1 (6)
Dollars	Dollars	Dollars	Percent	Dollars	Percent
-	5,000	-	1	-	3
5,000	10,000	50	1	150	7
10,000	20,000	100	1	500	11
20,000	30,000	200	1	1,600	14
30,000	40,000	300	1	3,000	18
40,000	50,000	400	1	4,800	22
50,000	60,000	500	2	7,000	25
60,000	100,000	700	2	9,500	28
100,000	200,000	1,500	3	20,700	30
200,000	250,000	4,500	4	50,700	30
250,000	400,000	6,500	4	65,700	32
400,000	500,000	12,500	5	113,700	32
500,000	600,000	17,500	5	145,700	35
600,000	750,000	22,500	6	180,700	35
750,000	800,000	31,500	6	233,200	37
800,000	1,000,000	34,500	7	251,700	37
1,000,000	1,250,000	48,500	8	325,700	39
1,250,000	1,500,000	68,500	8	423,200	42
1,500,000	2,000,000	88,500	9	528,200	45
2,000,000	2,500,000	133,500	10	753,200	49
2,500,000	3,000,000	183,500	11	998,200	53
3,000,000	3,500,000	238,500	12	1,263,200	56
3,500,000	4,000,000	298,500	13	1,543,200	59
4,000,000	5,000,000	363,500	14	1,838,200	63
5,000,000	6,000,000	503,500	15	2,468,200	67
6,000,000	7,000,000	653,500	16	3,138,200	70
7,000,000	8,000,000	813,500	17	3,838,200	73
8,000,000	9,000,000	983,500	18	4,568,200	76
9,000,000	10,000,000	1,163,500	19	5,328,200	76
10,000,000	-	1,353,500	20	6,088,200	77

¹For estate tax rates prior to the 1942 act, see *Statistics of Income for 1950, Part 1*, pages 338-339.

²Net estate for basic tax (i.e., excess of gross estate over deductions authorized for basic tax) is taxed at basic tax rates. Net estate for additional tax (i.e., excess of gross estate over deductions allowed for additional tax) is taxed at tentative tax rates; however, see note 3. Taxable estate (under the 1954 Code) is taxed at gross tax rates.

³Tentative tax rates under the 1939 Code and gross tax rates under the 1954 Code are identical.

Tentative tax rates are applied to the net estate for additional tax but the additional tax is only the excess of the tentative tax over an amount equal to the basic tax.

Gross tax rates are applied to the taxable estate under the 1954 Code for the gross estate tax.

Members of the armed forces who died after Dec. 6, 1941 and before Jan. 1, 1947 or after June 24, 1950 are exempt from the additional tax (under both Codes) if killed in action or died of wounds, disease, or injury received during any induction period.

INDEX

A	Page	G	Page
Additional tax.....	5-7, 11, 15-17, 19, 23	Gift tax, Federal.....	5-7, 11, 15-17, 23
Allowable deductions.....	5, 11, 15-18, 20	Gross estate:	
Amended returns.....	7	Adjusted.....	10
Annuities.....	7	Amount (value).....	6, 8, 15-20
Applicable revenue acts.....	9, 15, 23	Classes.....	9, 17-18
Audit revisions not tabulated.....	7	Composition.....	6, 15-18, 20
		Total.....	6, 9, 15-20
		Types of property.....	6, 9-10, 15-18, 20
		Gross tax (before credits).....	5, 11, 15-17, 19, 23
B		H	
Basic tax.....	5-7, 11, 15-17, 23	Historical data (See also "Statistics of Income for 1944, Part 1," p. 332.).....	20
Bonds:			
Federal.....	9, 15-18, 20		
Other.....	10, 15-18, 20		
State and municipal.....	9-10, 15-18, 20		
C		I	
Cash.....	6, 10, 15-18, 20	Inheritance tax, State.....	5-7, 9, 11, 15-17, 19, 23
Charitable bequests.....	7, 10, 15-18, 20	Internal Revenue Code.....	III, 5, 6-7, 12, 23
Citizens and residents.....	5-9, 15-20, 23		
Classifications and terms, explanation of.....	9-12		
Comparative outline, 1939 and 1954 Codes.....	5		
Composition of gross estate.....	6, 15-18, 20		
Corporate stock.....	6, 10, 15-18, 20		
Credits (See Tax credits.)			
D		L	
Debts and mortgages.....	10, 15-18	Life insurance.....	6, 7, 10, 15-18, 20
Deductions:		Losses during administration, net.....	10, 15-18
Allowable.....	5, 11, 15-18, 20		
Charitable bequests.....	7, 10, 15-18, 20		
Debts and mortgages.....	10, 15-18		
Disallowed.....	10, 11, 15-18, 20		
Funeral and administrative expenses.....	7, 10, 15-18		
Losses during administration, net.....	10, 15-18		
Marital.....	7, 10, 15-18, 20		
Property previously taxed, net.....	11, 15-18		
Specific exemption.....	5, 8, 11, 15-18, 20, 23		
Support of dependents.....	10, 15-18		
Total.....	10, 15-18, 20		
Disallowed deductions.....	10, 11, 15-18, 20		
E		M	
Estate tax law.....	5, 6-7, 23	Major characteristics.....	6
Exemption, specific.....	5, 8, 11, 15-18, 20, 23	Marital deduction.....	7, 10, 15-18, 20
Explanation of classifications and terms.....	9-12	Mortgages and debts.....	10, 15-18
		Mortgages and notes.....	6, 10, 15-18, 20
F		N	
Federal bonds.....	9, 15-18, 20	Net estate:	
Federal gift tax credit.....	5-7, 11, 15-17, 23	Before specific exemption.....	11, 15-18
Filing requirements.....	5, 23	Classes.....	9, 16
Foreign death duties credit.....	5-7, 12, 15-17, 23	For additional tax.....	5-7, 11, 15-17, 19, 23
Funeral and administrative expenses.....	7, 10, 15-18	For basic tax.....	5-7, 11, 15-17, 23
		Net estate tax.....	5, 6, 9, 12, 15-17, 19, 20
		Nonresident alien estates.....	6-9, 20, 23
		Nontaxable returns.....	6, 9, 15, 18-20
		Notes and mortgages.....	6, 10, 15-18, 20
		O	
		Other bonds.....	10, 15-18, 20
		Other property.....	6, 10, 15-18, 20
		Other "Statistics of Income" publications.....	IV

