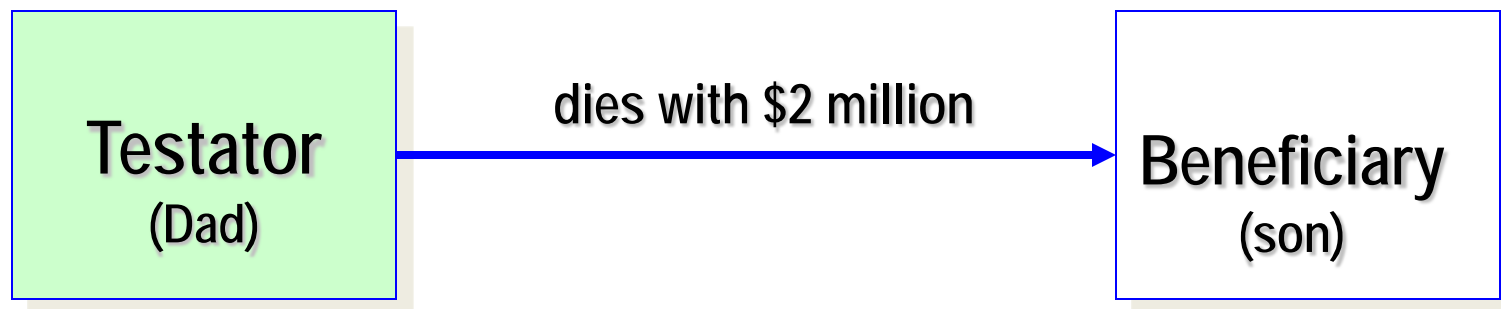


# Gift Tax vs. Estate Tax



Donor gifts \$1 million to Donee:  
has already used his \$5 million lifetime exemption; federal gift tax @ rate of 50% = \$500,000 to IRS; therefore it takes \$1.5 million to make a \$1 million gift

# Gift Tax vs. Estate Tax



Donor dies with \$2 million in estate:  
has already used his \$5 million lifetime exemption;  
federal gift tax @ rate of 50% = \$1,000,000 to IRS;  
therefore it takes \$2 million to make a \$1 million  
bequest