

Split-Interest Trusts, 2002

Data Release

Split-interest trusts make distributions to both charitable and noncharitable beneficiaries. While the Internal Revenue Service does not classify split-interest trusts as tax-exempt entities, or charities, the trusts offer many of the same benefits to their donors [1]. There are three distinct types of split-interest trusts: charitable remainder trusts, charitable lead trusts, and pooled income trusts. All such trusts are required to complete a Split-Interest Trust Information Return, Form 5227, each year. The purpose of Form 5227 is to disclose the financial activities of the trust, as well as to determine if the trust is a private foundation. The Split-Interest Trust Information Return is not used to determine the taxability of trust income.

A total of 121,309 split-interest trust returns were filed for 2002, an increase of 1.2 percent over the number filed for 2001 (Figure A). In contrast, total net income and asset values fell dramatically between 2001 and 2002. The total net income reported by charitable remainder trusts, which is the sum of net ordinary income and net short- and long-term capital gains or losses, decreased by 54.7 percent to \$5.3 billion in 2002. This is largely due to a large decrease in the total net capital gains component of income. Between 2001 and 2002, total net capital gains decreased 69.9 percent, from \$9.3 billion in 2001 to \$2.8 billion. This sharp drop is consistent with the decline of international stock markets, including those in the United States, which began during the first quarter of 2000 and continued into 2002. The decrease in value of the U.S. stock market resulted in a loss of nearly \$7.0 trillion in equity wealth [2]. This decline translated into substantial increases in capital losses claimed, which would appear on Form 5227 as a decrease in the net amount of capital gains. The total book value of assets for all split-interest trusts was \$105.6 billion at the end of 2002, a decrease of 5.0 percent from 2001. Distributions to beneficiaries, which totaled more than \$7.1 million in 2002, decreased by 11.7 percent from 2001 totals.

This data release was written by Lisa M. Schreiber, an economist with the Special Studies Special Projects Section, under the direction of Barry Johnson, Chief.

Charitable Remainder Trusts

An income stream is distributed by the trust to one or more noncharitable beneficiaries for a defined period of time under a charitable remainder trust agreement. After the completion of the time period, which is not to exceed the lesser of 20 years or the life of the income beneficiary, the remaining value of the trust is transferred to a charitable beneficiary. At the time of trust creation, the donor receives a tax deduction based on an estimate of the charitable distribution, which must be at least 10.0 percent of the fair market value of the initial trust assets [3]. The two forms of charitable remainder trusts, annuity trusts and unitrusts, differ in the structure of payments made by the trusts to beneficiaries. An annuity trust pays a series of fixed payments, while a unitrust pays a fixed percentage of the fair market value of the trust each year.

The number of annuity trusts that filed in 2002 decreased slightly from 2001, while there was a slight increase in the number of filing unitrusts. Net ordinary income of annuity trusts fell by 23.3 percent (to \$0.2 billion), and net capital gains fell by 26.4 percent (to \$0.5 billion). In contrast, net ordinary income of unitrusts rose by 7.8 percent (to \$2.3 billion), while net capital gains or losses fell by 73.5 percent (to \$2.3 billion). Distributions paid by annuity trusts fell by 17.6 percent (to \$809.1 million), while distributions of unitrusts fell by 13.0 percent (to \$5.3 billion). Book value of total assets at the end of the year decreased marginally for both types of trusts in 2002, falling by 5.7 percent for annuity trusts, and by 3.2 percent for unitrusts. Fair market value of unitrusts declined by 15.5 percent.

Charitable Lead Trusts

Charitable lead trusts are essentially the reverse of charitable remainder trusts. Lead trusts distribute a sequence of payments to a charitable beneficiary for a period of time, after which the remaining trust assets are transferred to a noncharitable beneficiary. The lead trust may be an annuity trust that distributes a fixed amount or a unitrust that distributes a payment that fluctuates with the value of the assets in the trust. Between 2001 and 2002, charitable lead trusts filings increased 3.6 percent, more than any other type of split-interest trust. Distributions for these trusts changed very little, increasing from

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Figure A

Profile of Split-Interest Trusts, by Type of Trust, 2001 and 2002

[All money amounts are in thousands of dollars]

Item	2001	2002	Percentage change	Charitable remainder trusts					
				Annuity trusts			Unitrusts		
				2001	2002	Percentage change	2001	2002	Percentage change
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Number of returns	119,821	121,309	1.2	22,958	22,783	-0.8	89,874	91,371	1.7
Total net income ¹	N/A	N/A	N/A	1,024,754	763,863	-25.5	10,661,493	4,526,145	-57.5
Net ordinary income ²	N/A	N/A	N/A	305,674	234,505	-23.3	2,094,723	2,257,780	7.8
Total net capital gains (losses) ³	N/A	N/A	N/A	719,080	529,358	-26.4	8,566,769	2,268,364	-73.5
Value of distributions ⁴	8,070,995	7,124,082	-11.7	981,394	809,130	-17.6	6,043,095	5,257,671	-13.0
Total assets at end of year:									
Book value ⁵	111,230,212	105,620,903	-5.0	10,177,555	9,596,835	-5.7	84,282,040	81,564,412	-3.2
Fair market value ⁶	N/A	N/A	N/A	N/A	N/A	N/A	100,268,578	84,697,749	-15.5

Item	Charitable lead trusts			Pooled income funds		
	2001	2002	Percentage change	2001	2002	Percentage change
	(10)	(11)	(12)	(13)	(14)	(15)
Number of returns	5,292	5,481	3.6	1,698	1,675	-1.4
Total net income ¹	N/A	N/A	N/A	N/A	N/A	N/A
Net ordinary income ²	N/A	N/A	N/A	N/A	N/A	N/A
Total net capital gains (losses) ³	N/A	N/A	N/A	N/A	N/A	N/A
Value of distributions ⁴	917,700	940,159	2.4	128,807	117,123	-9.1
Total assets at end of year:						
Book value ⁵	15,075,433	12,781,399	-15.2	1,695,183	1,678,256	-1.0
Fair market value ⁶	N/A	N/A	N/A	N/A	N/A	N/A

N/A--Not applicable.

¹ Calculated as the sum of "net ordinary income" (line 13), "net short-term capital gain (loss)" (line 16), and "net long-term capital gain (loss)" (line 19).

² Taken from "ordinary income less deductions" on line 13 of Form 5227. This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

³ Calculated as the sum of "net short-term capital gain (loss)" (line 16) and "net long-term capital gain (loss)" (line 19).

⁴ In the case of charitable remainder annuity trusts, distributions are taken from 'total annuity amounts for all recipients' (line 48b) in Part V-A of Form 5227. For charitable remainder unitrusts, distributions are taken from 'unitrust distributions' (line 52) in Part V-B. In the case of charitable lead trusts, distributions have been calculated as the sum of "excess income required to be paid for charitable purposes" (line 2), "annuity or unitrust payment required to be paid to charitable beneficiaries" (line 3), and "annuity or unitrust payments required to be paid to private beneficiaries" (line 4) from Form 5227, Part VII, Section A, the Questionnaire for Charitable Lead Trusts. In the case of pooled income funds, distributions were calculated as "amount required to be distributed to satisfy the remainder interest" (line 2), less "amounts required to be distributed to the remainder beneficiary that remain undistributed" (line 3), plus "amount required to be paid to private beneficiaries" (line 4), plus "amount required to be paid to the charitable remainder beneficiary" (line 5) from Form 5227, Part VII, Section B, the Questionnaire for Pooled Income Funds.

⁵ Taken from Form 5227. (see footnote # 4 of Table 3) Part IV, line 37, column (b).

⁶ For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

\$917.7 million to \$940.2 million (2.4 percent) in 2002. The book value of assets at the end of the year decreased by 15.2 percent, resulting in \$12.8 billion in 2002. This is the largest percentage decrease in the book value of assets of all the split-interest trust types.

Pooled Income Funds

Pooled income funds are similar to mutual funds and are created and maintained by charitable organizations. Donors to the charity contribute assets to the fund and receive income payments for the remainder of their lifetimes. The pooled assets are invested as

a group, and the income stream to each donor is based on the ratio of his or her contribution to the total value of the investment pool. After the death of the donor, his or her prorated share of the investment pool is withdrawn and given to the charitable organization. The donor receives a tax deduction based on the estimated final contribution to charity. The number of pooled income returns decreased by 23, or 1.4 percent, in 2002. The value of distributions fell by 9.1 percent to \$117.1 million. The end-of-year book value of assets decreased by 1.0 percent between 2001 and 2002.

Data Sources and Limitations

The data presented in this article were extracted from a sample of Forms 5227, Split-Interest Trust Information Return, filed during Calendar Year 2003. All charitable remainder trusts, charitable lead trusts, and pooled income funds that had financial activity during Calendar Year 2002 were required to file this form. Partial-year returns, for either initial or final reporting periods, were included in the sample. The sample also includes returns for reporting periods other than 2002, including any late-filed returns for prior reporting periods, as well as early-filed returns for subsequent 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 Study Year 2002, a sample of 11,313 returns was drawn from a population of 121,717 trusts that filed Form 5227. The sample size excludes returns that were selected for the sample but later rejected. Returns could be rejected if they were not one of the four types of trusts included in the study, if no money amounts were reported, or if there were overwhelming reporting errors. The sample was drawn based on the type of the trust (charitable remainder annuity trust, charitable remainder unitrust, charitable lead trust, or pooled income fund) and on the reported end-of-year total assets (book value). Each of the types of trusts was divided into four separate asset strata, resulting in 16 total strata. The four asset strata were based on the size of total assets: less than \$1.0 million, \$1.0 million to less than \$10.0 million, and \$10.0 million or more in total assets. A fourth asset category included all trusts that reported end-of-year book value of total assets as less than \$10.0 million, but reported end-of-year fair market value of total assets in excess of \$50.0 million. There were an estimated 22,783 charitable remainder annuity trusts, which were sampled at rates ranging from 5.2 percent (for the smallest) to 100.0 percent (for the largest), resulting in a sample of 2,081 returns. There were an estimated 91,371 charitable remainder unitrusts, sampled at rates from 4.2 percent to 100.0 percent, creating a sample of 8,546 returns. There were an estimated 5,481 charitable lead trusts, from which a sample of 507 was drawn. Lead trusts were sampled at rates ranging from 1.6 percent to 100.0 percent. There were 1,675 pooled income funds, of which 179 were included in the

sample. Pooled income funds had sample rates from 3.9 percent to 100.0 percent. For all trust types, trusts in the fourth asset category were sampled at 100.0 percent. The magnitude of sampling error for selected items, measured by coefficients of variation, is shown in Figure B.

All samples were designed to provide reliable estimates of financial activity. All data were collected from original returns as they were filed. All edited returns were subject to comprehensive testing and data verification procedures to ensure the highest quality of data. Changes that were made to the return after filing, either by the taxpayer in the form of amended returns or by IRS administrative processing, were not generally incorporated. A complete discussion of the reliability of estimates based on samples, methods for evaluating the magnitude for both sampling and nonsampling error, and the precision of the sample estimates can be found in the Appendix in this issue of the *SOI Bulletin*.

Figure B

Coefficients of Variation for Selected Items of Split-Interest Trusts, by Type of Trust, 2002

Item	Charitable remainder trusts		Charitable lead trusts	Pooled income funds
	Annuity trusts	Unitrusts		
	(1)	(2)	(3)	(4)
Percentages				
Net ordinary income ¹	3.80	1.75	N/A	N/A
Net short-term capital gain (loss) ²	5.58	36.59	N/A	N/A
Net long-term capital gain (loss) ³	54.25	8.87	N/A	N/A
End-of-year:				
Total assets:				
Book value ⁴	1.63	0.57	1.70	3.18
FMV ⁵	N/A	0.64	N/A	N/A
Total liabilities:				
Book value ⁶	11.50	4.72	33.68	12.08
FMV ⁷	N/A	4.34	N/A	N/A

N/A--Not applicable.

¹ Taken from Form 5227, Part I, line 13.

² Taken from Form 5227, Part I, line 16.

³ Taken from Form 5227, Part I, line 19.

⁴ Taken from Form 5227, Part IV, line 37, column (b).

⁵ For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

⁶ Taken from Form 5227, Part IV, line 43, column (b).

⁷ Taken from estimated end-of-year fair market value.

NOTE: "FMV" is the abbreviation for fair market value.

Explanation of Selected Terms

Annuity trust.--An annuity trust is a trust in which the payments for the duration of the trust, either to a private or charitable beneficiary, are of a fixed amount. In the context of this article, an annuity trust can be either a charitable remainder trust (with a noncharitable (private) income beneficiary) or charitable lead trust (with a charitable income beneficiary). The payment amount is determined by multiplying a specified percentage by the fair market value of the assets initially placed in the trust.

Beneficiary(ies).--Beneficiary(ies) refers to the person, persons, or organization that receive payments or assets from a trust. *Recipient* is used interchangeably with beneficiary. Beneficiaries can be either charitable or noncharitable (private), and can be either an income beneficiary or a remainder beneficiary.

Book value.--Book value is generally the cost basis of an asset, or the price at which an asset is acquired. All trusts must report the beginning and end-of-year book values of their assets on Part IV, Balance Sheet, Columns A and B, of Form 5227. All book value amounts referred to in this article are end-of-year book value amounts.

Charitable lead trusts.--Charitable lead trusts are split-interest trusts in which a designated charitable organization receives an income stream from the assets in trust; one or more private beneficiaries receive the remainder interest of the trust.

Charitable remainder annuity trust.--A charitable remainder annuity trust is a charitable remainder trust in which the annual income payments to the private beneficiary are fixed. The payment amount is calculated by multiplying the designated percentage by the fair market value of the assets initially placed in the trust.

Charitable remainder trusts.--Charitable remainder trusts are split-interest trusts in which a private, or noncharitable, beneficiary receives a stream of income for the duration of the trust, and a designated charity receives the remainder interest of the trust. Charitable remainder trusts can be either annuity trusts or unitrusts, depending on the method used to calculate the payment amounts. Further, unitrusts can have special provisions allowing them to distribute only their net income given certain situations.

Charitable remainder unitrust.--A charitable remainder unitrust is a charitable remainder trust in which the income payments to the private beneficiary

fluctuate with the annual value of the assets in the trust. The payment amount is calculated by multiplying the designated percentage by the fair market value of the assets as they are valued each year. Unitrusts can have special provisions allowing them to distribute only their net income given certain situations.

Charity or charitable organization.--A charity or charitable organization refers to a tax-exempt organization with purposes that are charitable, educational, scientific, literary, or religious in nature, or it otherwise qualifies as 501(c)(3) organization.

Donor.--A donor, also referred to as a grantor or contributor, is the individual who transfers personal assets into the trust or fund.

Income beneficiary.--The income beneficiary of a split-interest trust is the recipient of the stream of payments made over the duration of the trust. The income beneficiary of charitable remainder trusts and pooled income funds is the private (noncharitable) beneficiary; in charitable lead trusts, the income beneficiary is the designated charitable organization.

Income interest.--Income interest refers to the payments made to beneficiaries during the life of the trust. Income is paid to the income beneficiary.

Pooled income fund.--A pooled income fund is a fund established and maintained by a charity to invest and manage assets donated by multiple donors. Income from the assets is distributed annually on a prorated basis to the named beneficiaries. On the termination of an income interest (due to the death of one of the beneficiaries), a prorated part of the basis of the fund is removed and given to the charity.

Remainder beneficiary.--The remainder beneficiary of a split-interest trust is the recipient of the trust's assets at the termination of the trust. In the case of charitable remainder trusts, the remainder beneficiary is the selected charity; in charitable lead trusts, the remainder beneficiary is the designated private beneficiary.

Remainder interest.--The remainder interest of a trust is the assets remaining at the termination of the trust, after all liabilities have been settled and prior payments to beneficiaries have been made. This interest is then distributed to the remainder beneficiary.

Split-interest trust.--According to the 2002 *Instructions for Form 5227*, a split-interest trust is a trust that "is not exempt from tax under Internal Revenue Code section 501(a); has some unexpired

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interests that are devoted to purposes other than religious, charitable, or similar purposes described in Code section 170(c)(2)(B); and has amounts transferred in trust after May 26, 1969, for which a deduction was allowed under one of the Code sections listed in section 4947(a)(2).”

Trust.--A trust is a legal arrangement between its creator (donor or grantor), the manager of the trust (trustee), and the beneficiary or beneficiaries of the trust. Trusts are legal entities in their own right, and can be responsible for any tax liabilities separate from the liabilities of the grantor and beneficiary. The conditions and provisions of a trust are defined in the trust document.

Unitrust.--A unitrust is a trust in which the income interest, paid either to a private or charitable beneficiary, varies with the annual fair market value of the total assets of the trust in a given year. In the context of this article, a unitrust can be either a charitable remainder trust (with income payments to a private beneficiary) or a charitable lead trust (with income payments to a charitable beneficiary). The

payment amount is determined by multiplying a specified percentage by the fair market value of the assets of the trust as they are valued annually.

Notes and References

- [1] For all split-interest trusts, at the time of trust creation, the donor receives an income tax deduction in the amount of the charitable contribution. For charitable lead trusts, which distribute to charity at the time of creation, this is the value of the contribution. For trusts that distribute to charity at some date in the future, the amount of the contribution must be calculated using annuity tables provided by the IRS.
- [2] *Economic Report of the President*, February 2003, United States Government Printing Office, Washington, DC, p.28.
- [3] Directions for estimating the future charitable distribution of a charitable remainder trust are detailed in Internal Revenue Code Section 7520.

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Table 1.--Charitable Remainder Annuity Trusts: Income and Deduction Information, by Size of Book Value of Total Assets, 2002

[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					
		Zero or not reported ¹	\$1 under \$500,000	\$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)	(7)
Number of returns	22,783	1,283	17,544	2,145	1,407	319	85
Total net income ²	763,863	383,712	41,474	23,011	54,692	85,163	175,811
Net ordinary income ³	234,505	-794	54,158	37,736	50,497	48,045	44,864
Total ordinary income ⁴	293,735	2,522	70,373	48,634	63,192	56,630	52,384
Interest income.....	158,905	1,552	34,072	28,868	30,845	28,025	35,543
Dividends and business income (loss).....	115,747	1,031	30,920	17,780	27,646	19,034	19,336
Other Income ⁵	19,083	*-61	5,380	*1,986	4,701	9,571	-2,494
Total deductions allocable to ordinary income ⁶	59,229	3,316	16,214	10,898	12,695	8,585	7,520
Interest.....	717	--	*336	*187	11	*113	69
Taxes.....	1,024	--	366	*307	104	135	112
Other deductions.....	57,489	3,316	15,512	10,403	12,581	8,337	7,340
Net short-term capital gain (loss) ⁷	-96,222	-887	-16,909	-17,044	-23,043	-14,483	-23,856
Total short-term capital gain (loss).....	-96,068	-884	-16,892	-17,044	-23,028	-14,478	-23,742
Deductions allocable to short-term capital gain (loss).....	155	*3	17	--	15	*5	115
Net long-term capital gain (loss) ⁸	625,580	385,394	4,225	2,319	27,238	51,601	154,804
Total long-term capital gain (loss).....	628,047	385,394	4,932	2,618	27,816	52,389	154,898
Deductions allocable to long-term capital gain (loss).....	2,467	--	707	300	578	789	94

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

¹ Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Calculated as the sum of "net ordinary income" (line 13), "net short-term capital gain (loss)" (line 16), and "net long-term capital gain (loss)" (line 19).

³ Taken from "ordinary income less deductions" on line 13 of Form 5227. This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

⁴ Taken from Form 5227, Part I, line 8

⁵ Calculated as the sum of "rents, royalties, partnerships, other estates, and trusts" (line 4), "farm income or loss" (line 5), "ordinary gain or loss" (line 6), and "other income" (line 7).

⁶ Taken from Form 5227, Part I, line 12.

⁷ Taken from Form 5227, Part I, line 16. Includes losses.

⁸ Taken from Form 5227, Part I, line 19. Includes losses.

⁹ Taken from Form 5227, Part I, line 17a. Includes losses.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

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Table 2.--Charitable Remainder Annuity Trusts: Accumulation and Distribution Information, by Size of Book Value of Total Assets, 2002

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

Item	Total	Size of book value of total assets					
		Zero or not reported ¹	\$1 under \$500,000	\$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)	(7)
Number of returns.....	22,783	1,283	17,544	2,145	1,407	319	85
Total accumulations ².....	6,040,322	515,043	1,095,009	803,395	1,224,536	1,093,158	1,309,182
Net ordinary income.....	544,199	19,175	98,028	50,924	112,003	142,159	121,910
Net short-term capital gain (loss).....	-70,775	2,278	-1,410	-17,432	-23,490	-11,820	-18,900
Net long-term capital gain (loss).....	5,305,213	425,149	950,216	753,300	1,080,565	904,602	1,191,381
Nontaxable income.....	261,685	68,440	48,175	16,604	55,458	58,217	14,791
Prior-year undistributed income ³.....	5,246,098	130,548	1,044,698	774,322	1,162,386	1,000,700	1,133,443
Net ordinary income.....	309,693	19,970	43,870	13,187	61,506	94,114	77,046
Net short-term capital gain (loss).....	24,943	3,165	15,448	-404	-421	2,285	4,872
Net long-term capital gain (loss).....	4,698,268	39,757	947,309	753,865	1,058,249	856,032	1,043,056
Nontaxable income.....	213,194	67,657	38,072	7,674	43,052	48,270	8,469
Current-year net income ⁴.....	814,786	384,473	53,597	33,458	67,158	93,966	182,133
Net ordinary income.....	230,430	-812	53,552	36,974	48,990	46,863	44,864
Net short-term capital gain (loss).....	-94,062	-883	-16,049	-17,308	-22,024	-13,943	-23,856
Net long-term capital gain (loss).....	629,926	385,384	5,991	4,863	27,787	51,098	154,804
Nontaxable income.....	48,491	784	10,103	8,929	12,406	9,947	6,322
Undistributed at end of year ⁵.....	4,875,947	8,629	923,341	689,483	1,088,018	994,435	1,172,041
Net ordinary income.....	270,398	*496	39,611	11,273	61,638	93,601	63,778
Net short-term capital gain (loss).....	-34,331	*-44	730	-6,630	-10,841	-3,634	-13,912
Net long-term capital gain (loss).....	4,484,475	8,129	843,531	676,744	991,638	851,920	1,112,514
Nontaxable income.....	155,405	*48	39,469	8,097	45,582	52,549	9,660

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

¹ Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Taken from Form 5227, Part II, Line 22.

³ Taken from Form 5227, Part II, Line 20.

⁴ Taken from Form 5227, Part II, Line 21.

⁵ Taken from Form 5227, Part II, Line 23.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

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Table 3.--Charitable Remainder Annuity Trusts: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[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	22,783	18,827	2,145	1,407	319	85
Total net assets ²	9,451,131	2,059,975	1,574,453	2,158,019	1,543,678	2,115,005
Total liabilities and net assets ³	9,600,126	2,119,570	1,584,809	2,193,469	1,557,377	2,144,901
Total assets ⁴	9,596,835	2,114,658	1,584,809	2,194,744	1,557,723	2,144,901
Cash.....	124,032	25,342	26,873	32,247	30,243	9,327
Savings and temporary cash investments.....	760,036	112,576	96,664	159,220	175,640	215,937
Receivables due ⁵	417,644	107,681	118,000	63,254	49,781	78,928
Inventories and prepaid expenses.....	150	*32	--	*106	*11	--
Total investments.....	8,115,613	1,812,571	1,338,446	1,871,556	1,277,745	1,815,294
Securities.....	6,469,526	1,375,499	1,145,226	1,551,616	1,056,876	1,340,309
Government obligations.....	1,592,457	247,963	296,478	376,980	330,310	340,727
Corporate stock.....	3,668,348	838,013	656,749	901,081	524,105	748,399
Corporate bonds.....	1,208,721	289,524	191,999	273,555	202,461	251,183
Land, buildings, and equipment.....	99,786	28,494	--	49,854	*21,434	*4
Other investments.....	1,546,300	408,578	193,220	270,086	199,435	474,981
Charitable purpose land, buildings, and equipment.....	31,434	*10,933	--	19,157	*1,344	--
Other assets.....	147,923	45,521	4,825	49,203	22,959	25,415
Total liabilities ⁶	119,354	54,969	10,356	22,838	13,698	17,493
Accounts payable, accrued expenses, and deferred revenue.....	55,388	22,574	6,325	8,007	9,734	8,748
Loans from disqualified persons, mortgages, and notes payable.....	7,822	*4,450	*67	*2,888	*417	--
Other liabilities.....	56,144	27,945	3,964	11,943	3,547	*8,744

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

¹ Includes 1,283 returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Taken from Form 5227, Part IV, line 46, column (b).

³ Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

⁴ Taken from Form 5227, Part IV, line 37, column (b).

⁵ Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

⁶ Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, 2002

Table 4.--Charitable Remainder Unitrusts: Income and Deduction Information, by Size of Book Value of Total Assets, 2002

[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					
		Zero or not reported ¹	\$1 under \$500,000	\$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)	(7)
Number of returns	91,371	2,119	61,761	14,782	9,311	2,737	661
Total net income ²	4,526,145	270,651	58,169	251,196	385,255	395,590	3,165,283
Net ordinary income ³	2,257,780	17,550	241,279	238,840	319,392	305,635	1,135,085
Total ordinary income ⁴	2,918,431	24,548	337,668	319,762	418,659	379,401	1,438,393
Interest income.....	997,287	17,408	127,632	127,579	182,098	146,967	395,602
Dividend and business income (loss).....	1,552,504	6,824	178,469	149,019	212,220	208,144	797,827
Other income ⁵	368,638	*316	31,564	43,163	24,341	24,290	244,963
Total deductions allocable to ordinary income ⁶	660,648	6,998	96,387	80,922	99,267	73,767	303,308
Interest.....	56,714	--	1,219	1,279	1,454	1,394	51,366
Taxes.....	8,207	*2	886	740	1,776	875	3,928
Other deductions.....	595,728	6,996	94,282	78,903	96,036	71,497	248,013
Net short-term capital gain (loss) ⁷	-226,628	70,425	-139,228	-132,823	-239,311	-227,236	441,544
Total short-term capital gain (loss).....	-189,593	97,170	-138,712	-132,523	-238,287	-226,837	449,596
Deductions allocable to short-term capital gain (loss).....	37,036	*26,745	515	300	1,024	399	8,052
Net long-term capital gain (loss) ⁸	2,494,993	182,677	-43,882	145,179	305,174	317,191	1,588,653
Total long-term capital gain (loss).....	2,534,936	185,080	-37,883	153,860	311,265	322,677	1,599,937
Deductions allocable to long-term capital gain (loss).....	39,944	*2,403	5,999	8,681	6,091	5,485	11,284

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

¹ Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Calculated as the sum of "net ordinary income" (line 13), "net short-term capital gain (loss)" (line 16), and "net long-term capital gain (loss)" (line 19).

³ Taken from "ordinary income less deductions" on line 13 of Form 5227. This amount may not equal "total ordinary income" (line 8) less "total deductions allocable to ordinary income" (line 12) due to taxpayer reporting discrepancies.

⁴ Taken from Form 5227, Part I, line 8.

⁵ Calculated as the sum of "rents, royalties, partnerships, other estates, and trusts" (line 4), "farm income or loss" (line 5), "ordinary gain or loss" (line 6), and "other income" (line 7).

⁶ Taken from Form 5227, Part I, line 12.

⁷ Taken from Form 5227, Part I, line 16. Includes losses.

⁸ Taken from Form 5227, Part I, line 19. Includes losses.

⁹ Taken from Form 5227, Part I, line 17a. Includes losses.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, 2002

Table 5.--Charitable Remainder Unitrusts: Accumulation and Distribution Information, by Size of Book Value of Total Assets, 2002

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

Item	Total	Size of book value of total assets					
		Zero or not reported ¹	\$1 under \$500,000	\$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)	(7)
Number of returns.....	91,371	2,119	61,761	14,782	9,311	2,737	661
Total accumulations ².....	64,106,682	1,391,926	6,759,945	7,177,493	10,618,744	10,960,916	27,197,658
Net ordinary income.....	3,620,533	38,072	346,561	335,490	478,694	484,832	1,936,884
Net short-term capital gain (loss).....	1,752,533	80,235	-106,067	-57,739	-110,215	-88,350	2,034,669
Net long-term capital gain (loss).....	58,360,815	1,247,786	6,479,958	6,855,432	10,143,956	10,465,477	23,168,205
Nontaxable income.....	372,802	25,833	39,493	44,311	106,309	98,957	57,900
Prior year undistributed income ³.....	59,832,480	1,122,001	6,715,603	6,938,133	10,280,230	10,624,087	24,152,426
Net ordinary income.....	1,362,752	20,522	105,282	96,650	159,302	179,198	801,799
Net short-term capital gain (loss).....	1,979,693	9,810	33,192	75,330	128,810	138,886	1,593,666
Net long-term capital gain (loss).....	56,197,996	1,066,268	6,546,550	6,735,811	9,907,087	10,231,261	21,711,018
Nontaxable income.....	292,039	25,400	30,580	30,343	85,031	74,742	45,944
Current year net income ⁴.....	4,585,637	271,096	65,661	265,078	403,154	412,512	3,168,137
Net ordinary income.....	2,232,212	17,561	237,361	234,499	315,565	303,535	1,123,692
Net short-term capital gain (loss).....	-215,834	70,425	-137,710	-130,289	-235,341	-224,426	441,508
Net long-term capital gain (loss).....	2,488,495	182,677	-42,903	146,901	301,651	309,189	1,590,980
Nontaxable income.....	80,763	*433	8,914	13,968	21,278	24,214	11,956
Undistributed at end of year ⁵.....	55,244,104	11,093	5,994,099	6,430,383	9,644,373	10,126,628	23,037,528
Net ordinary income.....	1,977,428	16,777	69,078	95,326	138,593	229,209	1,428,446
Net short-term capital gain (loss).....	2,027,149	*6,537	-46,981	17,127	24,543	27,944	1,997,980
Net long-term capital gain (loss).....	50,941,864	-12,339	5,941,110	6,283,989	9,387,856	9,782,257	19,558,989
Nontaxable income.....	297,663	*118	30,891	33,942	93,381	87,219	52,113

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

¹ Includes returns that reported their end-of-year book value of total assets (line 37, column (b)) from the balance sheet as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Taken from Form 5227, Part II, Line 22.

³ Taken from Form 5227, Part II, Line 20.

⁴ Taken from Form 5227, Part II, Line 21.

⁵ Taken from Form 5227, Part II, Line 23.

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, 2002

Table 6.--Charitable Remainder Unitrusts: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[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	91,371	63,880	14,782	9,311	2,737	661
Total net assets (end-of-year) ²	77,567,343	11,269,547	10,302,451	14,847,984	13,470,765	27,676,595
Total liabilities and net assets (end-of-year) ³	81,439,038	11,430,589	10,397,584	15,072,966	13,700,190	30,837,710
Total assets (end-of-year)	81,564,412	11,455,375	10,457,328	15,115,656	13,696,696	30,839,358
Cash.....	1,307,886	220,521	183,025	294,693	252,891	356,756
Savings and temporary cash investments.....	8,297,297	705,429	709,512	1,011,775	1,194,669	4,675,911
Receivables due ⁴	2,405,101	564,388	515,506	662,949	361,586	300,672
Inventories and prepaid expenses.....	3,044	*149	*616	1,285	659	335
Total investments.....	66,561,136	9,284,750	8,688,656	12,483,422	11,286,736	24,817,571
Securities.....	46,736,954	7,244,287	7,122,028	10,072,266	8,390,840	13,907,534
Government obligations.....	5,009,206	509,205	706,942	1,085,221	1,067,779	1,640,059
Corporate stock.....	33,854,874	5,353,603	5,257,912	7,391,255	6,106,022	9,746,082
Corporate bonds.....	7,872,874	1,381,478	1,157,174	1,595,791	1,217,039	2,521,393
Land, buildings, and equipment.....	825,025	113,522	135,056	230,854	231,309	114,284
Other investments.....	18,999,157	1,926,942	1,431,572	2,180,303	2,664,587	10,795,754
Charitable purpose land, buildings, and equipment.....	337,644	60,670	*26,585	87,709	61,300	101,380
Other assets.....	2,652,287	619,455	333,425	573,821	538,854	586,732
Total liabilities (end of year)	967,416	110,120	133,676	197,763	213,049	312,809
Accounts payable, accrued expenses, and deferred revenue.....	335,383	46,360	66,381	66,302	58,491	97,850
Loans from disqualified persons, mortgages, and notes payable...	79,716	2,021	*23,051	9,951	*21,301	23,390
Other liabilities.....	552,317	61,738	44,243	121,510	133,257	191,569

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

¹ Includes 2,119 returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities.

³ Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

⁴ Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, 2002

Table 7.--Charitable Remainder Unitrusts: Fair Market Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[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	91,371	63,880	14,782	9,311	2,737	661
Total assets ²	84,697,749	12,323,748	10,358,710	15,022,329	13,317,010	33,675,952
Cash.....	1,323,979	218,364	184,223	295,263	275,345	350,783
Savings and temporary cash investments	8,289,863	728,050	707,145	999,358	1,182,849	4,672,461
Receivables due ³	2,276,232	533,631	486,230	616,889	338,619	300,863
Inventories and prepaid expenses	2,966	*148	*616	1,125	743	334
Total investments.....	69,614,379	9,928,612	8,617,936	12,471,857	10,964,902	27,631,071
Securities.....	48,523,897	7,322,923	7,032,244	9,973,104	8,193,626	16,002,000
Government obligations.....	5,199,689	540,097	725,086	1,130,410	1,150,873	1,653,224
Corporate stock	35,124,685	5,416,071	5,131,192	7,202,825	5,849,852	11,524,745
Corporate bonds.....	8,199,523	1,366,755	1,175,966	1,639,869	1,192,901	2,824,031
Land, buildings, and equipment.....	1,363,772	504,305	147,439	321,596	283,540	106,892
Other investments.....	19,726,710	2,101,385	1,438,253	2,177,157	2,487,736	11,522,179
Charitable purpose land, buildings, and equipment	527,887	157,097	*63,169	90,236	68,725	148,661
Other assets	2,662,418	757,828	299,387	547,597	485,826	571,780
Total liabilities ⁴	1,058,402	100,782	129,264	203,761	213,033	411,562
Accounts payable, accrued expenses, and deferred revenue.....	336,361	42,707	63,717	64,985	57,736	107,216
Loans from disqualified persons, mortgages, and notes payable....	79,900	2,021	*23,051	9,951	*21,486	23,390
Other liabilities.....	642,140	56,054	42,495	128,824	133,810	280,956

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

¹ Includes 2,119 returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Taken from Form 5227, Part IV, line 37, column (b).

³ Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

⁴ Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, 2002

Table 8.--Charitable Lead Trusts: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[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 ⁵	5,481	2,573	1,208	1,050	464	186
Total net assets ²	12,210,956	572,296	690,394	1,730,290	2,300,416	6,917,561
Total liabilities and net assets ³	12,784,411	575,898	904,824	1,785,208	2,364,889	7,153,593
Total assets ⁴	12,781,399	575,898	898,631	1,787,409	2,364,889	7,154,573
Cash.....	148,958	9,312	*16,083	51,280	11,577	60,705
Savings and temporary cash investments.....	972,460	67,598	147,301	146,144	126,151	485,266
Receivables due ⁵	281,615	*11,253	*23,300	40,768	135,069	71,225
Inventories and prepaid expenses.....	1,728	*50	--	*51	*1,215	411
Total investments	10,621,684	480,838	711,801	1,490,323	2,016,016	5,922,706
Securities.....	6,730,505	432,917	486,971	1,156,288	1,315,083	3,339,246
Government obligations.....	788,234	32,825	*10,286	160,170	125,927	459,025
Corporate stock.....	5,404,900	376,807	440,522	898,289	1,011,717	2,677,565
Corporate bonds.....	537,372	*23,285	*36,163	97,828	177,439	202,656
Other investments ⁶	3,891,179	47,921	224,830	334,036	700,933	2,583,459
Other assets ⁷	754,955	*6,847	*145	58,842	74,862	614,259
Total liabilities ⁸	558,778	3,602	*214,429	54,918	49,797	236,032

* 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 end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Taken from Form 5227, Part IV, line 46, column (b). This is the excess of total assets over total liabilities.

³ Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

⁴ Taken from Form 5227, Part IV, line 37, column (b).

⁵ Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

⁶ Calculated as the sum of "investments--land, buildings, and equipment" (line 33) and "investments--other" (line 34).

⁷ Calculated as the sum of "charitable purpose land, buildings, and equipment" (line 35) and "other assets" (line 36).

⁸ Taken from Form 5227, Part IV, line 43, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

Split-Interest Trusts, 2002

Table 9.--Pooled Income Funds: Book Value Balance Sheet Information, by Size of Book Value of Total Assets, 2002

[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	1,675	1,309	*103	160	79	25
Total net assets (end-of-year) ²	1,510,399	146,523	*79,294	237,121	358,558	688,904
Total liabilities and net assets (end-of-year) ³	1,678,194	150,005	*79,294	267,820	434,677	746,397
Total assets (end-of-year)	1,678,256	150,005	*79,294	267,883	434,677	746,397
Cash.....	10,416	892	--	2,324	4,372	2,827
Savings and temporary cash investments.....	81,917	6,766	--	7,748	14,832	52,571
Receivables due ⁴	4,634	*194	--	*3,309	*349	*783
Inventories and prepaid expenses.....	169	--	--	--	*169	*0
Total investments.....	1,522,073	135,898	*61,113	240,441	404,312	680,309
Securities.....	974,304	95,028	*43,530	167,671	326,541	341,534
Government obligations.....	196,106	*11,534	*22,164	18,087	46,847	97,474
Corporate stock.....	363,701	21,737	--	48,268	126,262	167,433
Corporate bonds.....	414,497	61,757	*21,365	101,315	153,432	76,627
Other investments ⁵	547,769	40,869	*17,583	72,770	77,772	338,775
Other assets ⁶	59,048	*6,256	*18,182	*14,061	*10,643	9,906
Total liabilities (end-of-year)	18,217	*593	--	591	5,012	12,021

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

Total assets at end of year:

¹ Includes returns that did not report end-of-year book value of total assets (line 37, column (b)), or that reported the amount as zero. Often, this amount is reported as zero for those trusts filing a final return. In those cases, the trusts reported having assets at the beginning of the year, but nothing at the end of the year.

² Taken from Form 5227, Part IV, line 46, column (b).

³ Taken from "total liabilities and net assets" (line 47, column (b)) of Form 5227. This amount may not equal "total liabilities" (line 43, column (b)), plus "total net assets" (line 46, column (b)) due to taxpayer reporting discrepancies.

⁴ Calculated as the sum of "accounts receivable" (line 27), "receivables due from officers, directors, trustees, and other disqualified persons" (line 28), and "other notes and loans receivable" (line 29).

⁵ Calculated as the sum of "investments--land, buildings, and equipment" (line 33) and "investments--other" (line 34).

⁶ Calculated as the sum of "charitable purpose land, buildings, and equipment" (line 35) and "other assets" (line 36).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

SOURCE: IRS, Statistics of Income Winter 2004-2005 Bulletin, Publication 1136.