



JEFFERSON PILOT
FINANCIAL



ADVANCED SALES - CASE DESIGN

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November 1, 2005

Estate and Gift Tax Amounts Adjusted for 2006

The Internal Revenue Service has released a number of adjustments for 2006, as a result of cost-of-living adjustments and statutory changes made by the tax acts of 2001 and 2003. Some of adjustments relating to estate and gift taxes are as follows:

<u>Item</u>	<u>2005</u>	<u>2006</u>
Annual gift tax exclusion (per donee)	\$11,000	\$12,000
Gift tax unified credit equivalent - NO CHANGE	\$1,000,000	\$1,000,000
Estate tax unified credit equivalent*	\$1,500,000	\$2,000,000
Generation skipping transfer tax exemption	\$1,500,000	\$2,000,000
Maximum estate tax rate*	47%	46%
Maximum gift tax rate	47%	46%
Exclusion for present interest gifts to a spouse that is not a U.S. citizen	\$117,000	\$120,000
Limit on the decrease in value of qualified real property under the special use valuation rules of Section 2032A	\$870,000	\$900,000
"2-percent portion" of estate tax payable in installments under Sec. 6166	\$1,170,000	\$1,200,000

*Note: As a result of the increase to the estate tax unified credit equivalent and the decrease to the maximum estate tax rate, the federal estate tax is effectively a flat tax of 46% on estates exceeding \$2 million for decedents dying in 2006.

For more information, feel free to contact Jefferson Pilot Financial Advanced Sales – Case Design consultants at 866-457-3658, Option 2, or by email at advancedsales@jpfmfinancial.com. Check for updates to this document at www.myjpf.com >> Marketing >> JP Life & Annuity >> Advanced Sales. Do not use this document after April 2006.

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