

COMPARISON OF DEDUCTIBLE CHARITABLE REMAINDER GIFTS

	Remainder Interest In Personal Residence or Farm	----- Charitable Remainder Trust -----	
		Annuity Trust	Unitrust
A. Remainderman	170(c)	170(c)	170(c)
B. Income Beneficiaries	No Limitations	Individuals in being at time of transfer	Individuals in being at time of transfer
C. Period	No Limitations	Lives of beneficiaries or term of 20 years	Lives of beneficiaries or term of 20 years
D. Payment to Beneficiaries	Not Applicable	Must receive not less often than annually. Fixed amount which was not less than 5% of fair market value of assets at time of transfer	Must receive not less often than annually. Fixed percentage (not less than 5 %) of fair market value of assets computed annually. Without affecting computation of the deduction the donor may take income only if it is less than the percentage and in years where the income exceeds the percentage, that income may or may not be distributed to make up for past deficiencies
1. IRC 664(d)(1)(B)	6. IRC642(c)(5)(A)		
2. IRC 642(c)(5)(A)	7. IRC664(d)(1)(A)		
3. IRC664(d)(1)(A)	8. IRC664(d)(2)(A)		
4. IRC642(c)(5)(A)	9. IRC664(d)(3)		
5. IRC664(d)(1)(A)	10. IRC642(c)(5)(F)		
	10a. IRC170(f)(3)		

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E. Taxability of Payments	Not Applicable	No invasion for the benefit of beneficiaries permitted. Ordinary income to extent of income earned in year or accumulated; then short-term capital gain to extent of income earned in year or accumulated; then long-term capital gain to extent of income earned in year or accumulated; then corpus	No invasion for the benefit of beneficiaries permitted. Ordinary income to extent of income earned in year or accumulated; then short-term capital gain to extent of income earned in year or accumulated; then long-term capital gain to extent of income earned in year or accumulated; then corpus
F. Taxability of Trust	Not Applicable	Not taxable unless trust has unrelated business income	Not taxable unless trust has unrelated business income
	11. IRC 664(b) 12. IRC 642(c)(5)(F) 12a. Annuity Trust – Proposed Regulations 1.664-2(a)(4); Unitrust - Proposed Regulations 1.664-3(a)(4); Pooled Income Fund Trust – Regulations 1.642(c)-5(b)(1) 13. IRC 642(c) 14. Long-term gains permanently set aside for charitable remainderman deductible; IRC 642(c)(3)		
G. Investments	Not Applicable	Should be separately invested. Trustee cannot be prohibited from investing in such a way as to realize income or gain currently	Should be separately invested. Trustee cannot be prohibited from investing in such a way as to realize income or gain currently

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H. Trustee	Not Applicable	No statutory limitations	No statutory limitations
I. Additional Contributions	Not Applicable	Not permitted	Permitted subject to inclusion of required provisions in governing instrument
<p>15. IRC 642(c)(5)(B) 16. To avoid claim of association taxable as corporation; IRC 7701(a)(3) 17. Proposed Regulations 1.664-1(a)(6) 18. IRC 642(c)(5)(C) 19. IRC 642(c)(5)(E) 20. Regulations 1.642(c)-5(b)(5) 21. Proposed Regulations 1.664-2(b) 21a. Proposed Regulations 1.664-3(b)</p>			
J. Status	Not Applicable	Subject to private foundation rules with certain minor exceptions	Subject to private foundation rules with certain minor exceptions
K. Funding with Appreciated Property	Not Applicable	No gain realized	No gain realized
L. Computation of Deduction	Discounted at 6% with depreciation on a straight-line basis	Based on percentage chosen (5% or over). Estate tax tables	Based on percentage chosen (5% or over). Tables in regulations and publications

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M. Limitation	Remainder treated as a gift to the charitable remainderman. If remainderman a “public charity” gift subject to 50% limitation (30% to extent appreciated long-term property) and carryover in case of both corporations and individuals	Remainder treated as a gift to the charitable remainderman. If remainderman a “public charity” gift subject to 50% limitation (30% to extent appreciated long-term property) and carryover in case of both corporations and individuals	Remainder treated as a gift to the charitable remainderman. If remainderman a “public charity” gift subject to 50% limitation (30% to extent appreciated long-term property) and carryover in case of both corporations and individuals
22.	Section 4947(a)(2) and (b)		
23.	Regulations 1.642(c)-5(a)(3)		
24.	Revenue Ruling 55-275, 1955-1 C.B. 295 but see Revenue Ruling 60-370, 1960-2 C.B. 203		
25.	Proposed Regulations 1.664-2(d); Regulations 20.2031-10		
26.	IRS Publications 723 and 723B		
27.	IRC 170(b)(1)(A)		
28.	Alice Tully, 48 T.C. 235; Revenue Ruling 57-507, 1957-2 C.B. 511		
29.	IRC 642(c)(5)		
30.	IRC 170(f)(4)		