

ASSESSING FEDERAL AND VIRGINIA ESTATE TAX LIABILITY:  
ESTATE PLANNING AND ITS IMPLICATIONS

by

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## TABLE OF CONTENTS

	<u>Page</u>
CHAPTER I - Introduction. . . . .	1
CHAPTER II - Estate Planning Procedures . . . . .	6
CHAPTER III - The Programs. . . . .	19
CHAPTER IV - The User's Guide . . . . .	28
CHAPTER V - Summary . . . . .	65
CHAPTER VI - Suggestions for Future Research. . . . .	67
Bibliography. . . . .	68
Appendix I - NETWORTH printout. . . . .	69
Appendix II - VESTAX printout . . . . .	81

## TABLE OF TABLES

	<u>Page</u>
Table 1. Growth of a \$100,000 estate at varying rates of growth. . . . .	5
Table 2. Descent of realty in case of intestacy. . . . .	7
Table 3. A sample input form for Networth. . . . .	20
Table 4. A sample input form for Vestax. . . . .	21
Table 5. Unified credits and exemption equivalents for federal and estate gift tax for years 1983-1987 and thereafter. . . . .	23
Table 6. Abbreviations for the Networth data used in the change data option. . . . .	33
Table 7. Abbreviations for the Vestax data used in the change data option. . . . .	34
Table 8. A guide to use when estimating estate administrative expenses. . . . .	49

## CHAPTER I

### INTRODUCTION

Most people are concerned about the amount of federal and state taxes they will owe each year, and most, if given the choice, would rather not pay them. In order to avoid having to pay these taxes, people look for ways to shelter their income and assets from taxation. However, one tax that people do not think about having to pay is the estate tax. The estate tax is a tax that is assessed on each person's "wealth" at the time of their death. Because this tax is not assessed on an individual's estate until the individual is gone, why should anyone care about this tax?

First, estate taxes can cause cash flow problems for those heirs of an estate who inherit the business because the taxes are paid from the proceeds of the estate. If there is not enough cash in the estate to pay these taxes, and the heirs do not have the money, then some of the estate's assets will have to be sold in order to raise the necessary money. If this happens, the amount of property left to the heirs is reduced. In some cases, this will not adversely effect the heirs, but in other cases it will. For example, what if a farmer passes on, and he has bequeathed his entire estate to his family. The farmer may have felt that he was leaving his family in a very good financial position because he had a large estate and few debts. However, if his estate consists of farmland, buildings, equipment, and livestock, but little cash, how will the estate taxes be paid? If his family can not come up

with the money, they will have to sell some of the estate's assets in order to raise the money. By selling off these assets, they might adversely effect the operation of the farm, causing inefficiencies such as having to rent a tractor and plow at an increased expense because the tractor and plow have been sold to raise tax money. Such inefficiencies might also lead to a loss of income. This is one reason people should be concerned with estate tax liabilities. However, there are other ways of raising cash to pay estate taxes, other than selling the business assets. If the business is a viable enterprise, then money to pay the taxes can be borrowed from the bank. Another possibility for closely held businesses would be the 15-year option for installment payment of federal estate taxes. If the closely held business makes up more than 35% of the adjusted gross estate, the part of the federal estate tax on the closely held business can be deferred for more than five years after death, with the tax being paid in ten equal yearly installments after the initial five years. Interest is charged on the balance of the unpaid taxes, including the five year deferral period. The interest rate is a 4% compounded daily rate on the first million dollars of the closely held business part of the taxable estate, and beyond that amount the rate is the regular rate for unpaid federal taxes.<sup>1</sup> (Refer to the federal tax coordinator 2d, Bulletin No. 1983-7, pages 4-5 for more information.)

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<sup>1</sup>United States Code Annotated, Title 26 Internal Revenue Code, Cumulative Annual Pocket Part (St. Paul: West Publishing Co., 1983), p. 224.

A second reason that people might be concerned with estate tax liabilities is, even if an individual's estate is very liquid (has a large amount of cash) and his heirs do not have to be concerned with how the estate's taxes will be paid, why pay more taxes than are necessary? If possible, why not have the total estate going to whomever the individual has designated? If there are ways to minimize these estate taxes, why not take advantage of them?

Fortunately, thanks to the new tax laws, a large segment of the United State's population will not owe any federal estate taxes when they die. Also, since Virginia does not have an inheritance tax (instead, the Virginia estate tax is based on the federal estate tax), Virginians who do not owe any federal estate taxes will not owe any state estate taxes either.<sup>2</sup> According to the new laws, in 1983 only those individuals with estates greater than \$275,000 and married couples with combined estates greater than \$550,000 will have to worry about estate tax liabilities if they undertake minimal estate planning techniques. (These amounts will increase over the period 1983-1987 and in 1987 the exempt amount will reach \$600,000 for an individual and \$1.2 million for married couples.)<sup>3</sup> Even when estates exceed these exemption amounts (and with inflation, these amounts may not be as large in the

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<sup>2</sup>Code of Virginia, 1983 Cumulative Supplement, Annotated, Volume 8A (Charlottesville: The Michie Company, 1983), p. 125.

<sup>3</sup>G. Wayne Burkhardt and L. Leon Geyer, What Will Become of Your Estate?, Publication 392-680 (VPI&SU: Virginia Cooperative Extension Service, 1982), p. 27.

future as they seem to be now),<sup>4</sup> actions may be taken to avoid incurring estate tax liabilities and this is where estate planning becomes very important.

Table 1 illustrates what can happen to a \$100,000 estate at different growth rates over periods of 5, 10, 15, 20 and 25 years. Notice that at a growth rate of 10% in twenty years a \$100,000 estate can grow to six times that amount or \$672,750 and in twenty-five years can increase to over one million dollars. The importance of not only estate planning, but also modification of that plan as the estate grows and changes, should be obvious.

The purposes of this paper are to provide a way for individuals and married couples to: 1. plan their estates, 2. calculate the net worth of the estate, 3. assess their current estate tax liabilities, 4. allow for estate growth and calculate future estate tax liabilities. A brief overview of the estate planning process will be given and then two computer programs will be introduced; the first calculates the estate's net worth and the second calculates the estate's present and future tax liabilities. A user's guide and a numerical example are provided for a more detailed look at the programs.

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<sup>4</sup>Sidney Kess and Bertil Westlin, CCH Estate Planning Guide, 1982 ed. (Chicago: Commerce Clearing House, Inc., 1982), p. 4.



Table 1. Growth of a \$100,000 estate at varying rates of growth

		Yearly Growth Rate			
		3%	5%	7½%	10%
	5	\$115,927	\$127,628	\$143,563	\$161,051
	10	134,392	162,889	206,103	259,374
Years	15	155,797	207,893	295,888	417,725
	20	180,611	265,330	424,785	672,750
	25	209,378	338,635	609,834	1,083,471

CHAPTER II  
ESTATE PLANNING PROCEDURES

Estate planning can be thought of as the integration and coordination of all the planning that is done throughout one's life (i.e., purchasing life, health, home insurance, setting up savings accounts for the childrens' college years, etc.), with the objective being to improve the financial position of the individuals involved and to protect their interests.<sup>5</sup> Among other things, a complete estate plan includes establishing goals and determining their priority, examining how property is held, considering lifetime gifts given and their tax implications and establishing institutions to meet the plan's objectives.<sup>6</sup>

Every state in the United States provides an estate plan for those people who die intestate (without a will). These individual state plans are not designed with any of the forementioned considerations in mind, but simply follow that state's laws on inheritance. Table 2 illustrates the distribution of real estate in case of intestacy.<sup>7</sup> Some property, such as that held jointly with right of survivorship and that held by tenancy by entirety, will pass by the terms of the deeds and not by the

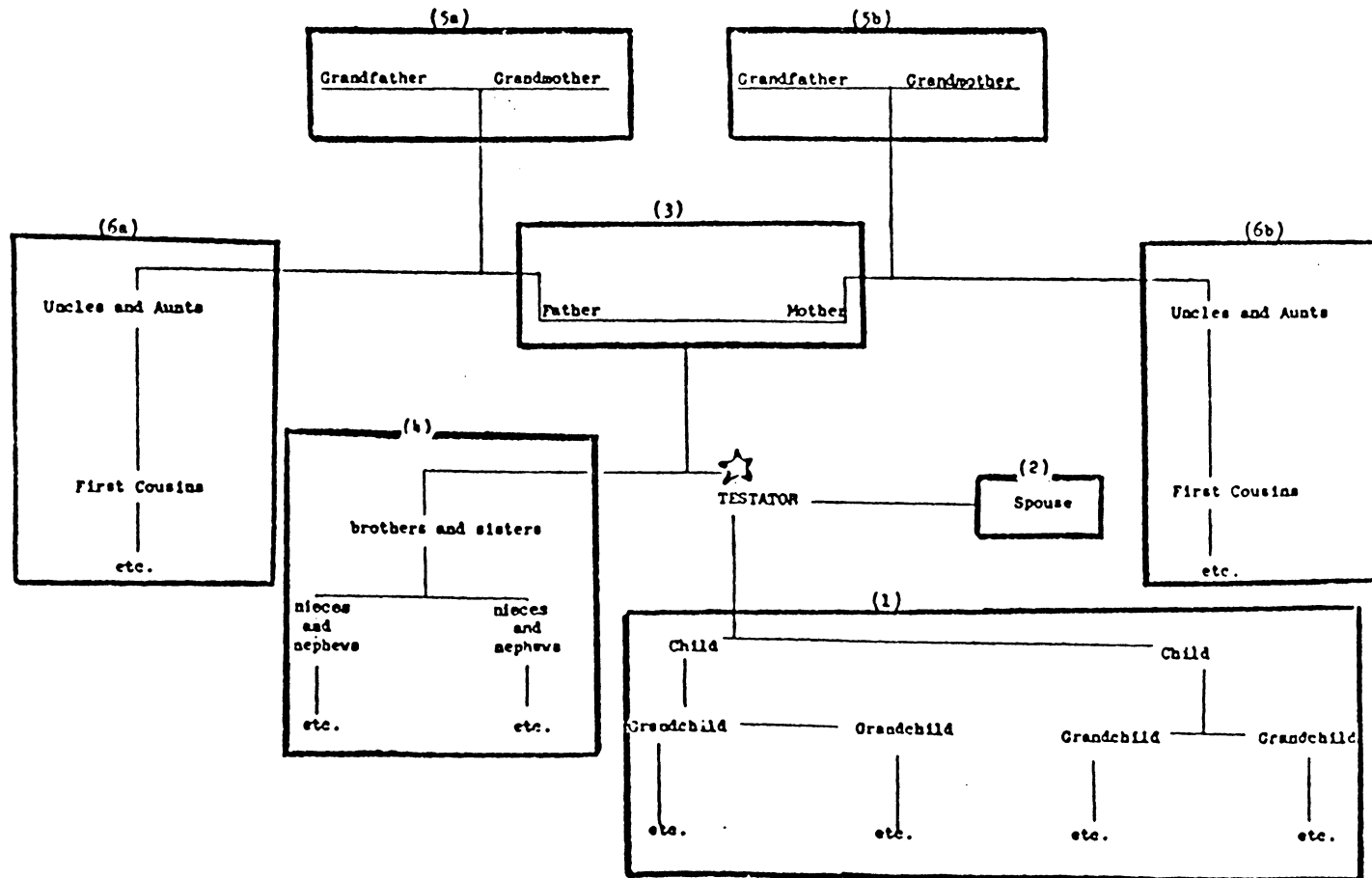
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<sup>5</sup>Kess and Westlin, p. 439.

<sup>6</sup>Neil E. Harl, Farm Estate and Business Planning (Illinois: Century Communication, Inc., 1982), p. 333.

<sup>7</sup>The Virginian Lawyer; A Basic Practice Handbook (Charlottesville: Michie Bobbs-Merrill, 1983), p. 283.

Table 2. Descent of realty in case of intestacy



August, 1981

state's laws of inheritance. Also, insurance proceeds will pass to a beneficiary by the terms of the insurance policy. For most people the state plan is inadequate and can be improved upon substantially. If this is the case then how does someone determine what their estate is and how do they go about planning it's distribution?

#### TYPES OF ESTATES

There are basically two types of estates; the taxable estate and the probate estate. The taxable estate is the gross estate less the descendant's debts, administrative and funeral expenses, charitable deductions, marital deduction (if applicable), and net losses in the estate (total gains minus total losses), plus all taxable gifts ever given. (The gross estate includes everything the decedent owned and anything he had control over at the time of his death.)<sup>8</sup> The taxable estate is very important because the state and federal estate taxes are calculated using it.<sup>9</sup> The probate estate includes all property that is distributed by the terms of the will or by the law of descent and distribution.<sup>10</sup> An estate is probated to determine the validity of the will, to interpret the will, to settle disagreements over who is entitled to the property, and to pay the necessary taxes.<sup>11</sup>

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<sup>8</sup>Burkhart and Geyer, p. 7.

<sup>9</sup>Burkhart and Geyer, p. 7.

<sup>10</sup>Burkhart and Geyer, p. 7.

<sup>11</sup>Harl, p. 175.

Only the gross and taxable estates are discussed in this paper. Any reference to an estate in this paper should be interpreted as meaning the gross estate. Now that we know what an estate is, how do we go about planning our own?

#### Four Steps of Estate Planning

There are four basic steps in estate planning: choosing goals, taking inventory, choosing ways to accomplish these goals, and implementing the plan.<sup>12</sup> Each of these is discussed separately.

##### 1. Choosing Goals

The first step to estate planning is to decide upon what goals or objectives the estate owner would like to fulfill through his plan. Some examples of estate planning objectives are: ensuring that the surviving spouse will be adequately provided for, ensuring that the farm will be transferred to an on-farm heir intact, and minimizing estate taxes at death. All of these are very real concerns, and formulation of a plan to fulfill any one of these objectives can be a satisfying accomplishment.

Besides the main goal, a person may have several secondary goals that he wishes to accomplish. However, it is recommended that there be only one main goal due to the different avenues of planning that might be necessary for each. For example, minimizing estate taxes (secondary

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<sup>12</sup>Burkhart and Geyer, p. 3 and Harl, pp. 333-337.

goal) after ensuring the intact transfer of the farm to on-farm heirs (primary goal) is a reasonable and attainable goal.

## 2. Taking Inventory

The second step to planning an estate is the preparation of an inventory of the estate. The inventory should include several things:

1. A detailed description of each asset including serial numbers, legal descriptions, quantities, and depreciation schedules (where applicable),
2. How it is held and whose name is on the ownership papers, 3. Where both the asset and its document proving ownership are located, 4. The amount still owed on the asset, any debts attached to it, and 5. The current value of each asset.<sup>13</sup> Estate inventory forms can usually be obtained from extension agencies, universities, and banks.

## 3. Choosing Ways to Accomplish the Chosen Goal(s)

Deciding upon ways to accomplish the chosen goal(s) is the third step in estate planning. Several factors such as: how property is held, trusts, gifts, charitable deductions, and the marital deduction should be considered before making this decision.

### 3.1 Ownership of Property

Property can basically be held in five ways: solely, by tenancy in common, by joint tenancy, by tenancy by entirety, and by tenancy in coparcenary.

Under sole ownership the title to the property is in one name and only that person has rights in the property. At death, the total value

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<sup>13</sup>Harl, pp. 334-336.

of the property is included in the estate. Property held this way is transferred by will, deed, or gift or by the laws of descent and distribution if the person dies intestate.<sup>14</sup>

Under tenancy in common, property is held by two or more persons and at death only the portion owned by that person is included in the estate. However, each tenant in common must be able to prove how much he or she contributed towards the purchase of the asset. (For example, suppose a father and his son and daughter bought a piece of property as tenants in common, with each owning one-third of the property. At the time of the father's death, the daughter and son would have to prove that they contributed one-third of the capital used to purchase the property, or the total value of the property would be included in the father's estate. The same would hold true if the son died first; both the father and the daughter would have to prove that they contributed one-third of the capital or else the total value of the property would be included in the son's estate.)

For property held in joint tenancy, each of the tenants has equal ownership interests in the property. If property is held in joint tenancy between husband and wife, one half of the value of the property is included in the estate of the first to die. Property held in joint tenancy between husband and wife may include right of survivorship. Right of survivorship gives the surviving spouse outright ownership of

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<sup>14</sup>Thomas E. Atkinson, Law of Wills (St. Paul: West Publishing Co., 1977), p. 166.

the property at the death of the first spouse, and the total value of the property is included in the surviving spouse's estate. (In the state of Virginia, right of survivorship must be specified or it will be assumed not to exist.) With property held in joint tenancy between persons other than husband and wife, 100% of the property's value is included in each person's estate at their death unless the estate can prove that the descendant contributed less than that amount.<sup>15</sup>

Tenancy by entirety is similar to joint tenancy except that it can only exist between husband and wife, and it is not severable without permission from them both. If property is held in this way, creditors of one spouse do not have any rights to seize the property in payment of that spouse's debts. One half of the value of property held in this way is included in the estate of the first spouse to die and 100% of the value in the surviving spouse's estate.<sup>16</sup>

Tenancy in coparcenary lies somewhere between joint tenancy and tenancy in common. It arises when property is inherited, through the death of an ancestor, by two or more persons as joint heirs. Like a joint tenant, the coparceners own the property jointly, and may convey their portion of the property to their heirs, but like tenancy in

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<sup>15</sup>Harold Weinstock, Planning An Estate, 2nd ed. (Colorado: Shepard's/McGraw-Hill, 1982), pp. 20-21.

<sup>16</sup>Burkhart and Geyer, p. 8.



common, there is no right of survivorship.<sup>17</sup> (For all practical purposes there is no real distinction between tenancy in coparcenary and tenancy in common, and both are ruled by the laws governing tenancy in common.)

How the property will enter into the estate at death should be considered when deciding how to meet estate planning objectives. An example of a problem that could arise when ownership rights in property are not considered would be: A farmer and his wife own their farm jointly with right of survivorship. The farmer dies before his wife and in his will he left his half of the farm to his son. However, due to the right of survivorship clause the son would not inherit any portion of the farm from his father; the surviving spouse would take possession by right of survivorship. The farmer could have achieved his estate planning goal of leaving his half of the farm to his son by owning the farm with his wife jointly without right of survivorship or as tenants in common. Then at his death, the farmer's half of the farm would have been transferred to his son as stated in his will.

### 3.2 Trusts and Life Estates

A second factor that should be looked into when deciding on ways to accomplish a goal is trusts. There are several different types of trusts, each meeting a different estate planning need. Generally, a trust is an arrangement whereby a trustee (a third party) holds title to

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<sup>17</sup>James W. Theobald, "Forms of Holding Title", Residential Real Estate Transactions 1981 ed. (Virginia: Virginia State Bar and the Virginia Bar Association, 1981) p. 7-14.

and manages property for the benefit of a person or persons (beneficiaries) specified by the owner of the property.<sup>18</sup> Whether property in a trust is included in the owner's estate at his death, rather than in the beneficiary's at the beneficiary's death, depends on the conditions of the trust. If the grantor (the person who owns the property and has set up the trust) retains the power to dissolve, change, or receive income from the trust, then the value of the trust will be included in his estate at his death, otherwise it will be included in the beneficiary's estate.<sup>19</sup> If the trust is created by the grantor's will and takes effect at his death, then the property in the trust is taxed in the grantor's gross estate at his death.<sup>20</sup> A trust may be used to ensure income to a beneficiary without any effort required on the part of the beneficiary. An example of when a trust could be used to meet estate planning goals would be to provide for minor children. If something happened to the parents, the children would receive income, etc. from the trust but would not have any management responsibilities.

A trust may also be used to establish a life estate for the surviving spouse. The spouse would receive income and/or benefits from the life estate, but would not pay taxes on the assets at his or her death.

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<sup>18</sup>Burkhart and Geyer, p. 18.

<sup>19</sup>Burkhart and Geyer, pp. 18-19.

<sup>20</sup>Burkhart and Geyer, pp. 18-19.

### 3.3 Gifts

Gifts may also be utilized as an estate planning tool to accomplish goals, but special consideration must be given to the taxes incurred by using this tool. Under federal tax laws, each person may give up to \$10,000 of gifts per beneficiary per year without paying federal gift tax on the gift. If a husband and wife make gifts jointly, they may give up to \$20,000 of gifts annually per beneficiary per year and not pay gift taxes.<sup>21</sup> At the death of a person, the total of all gifts given by that person over his lifetime, less those gifts that were excluded from taxation, is included in the taxable estate. The federal and state taxes are calculated and then a credit for gift taxes paid (equaling the total amount of all gift taxes paid throughout the person's lifetime) is subtracted from the total taxes.<sup>22</sup>

A good time to use a gift as an estate planning tool is when the gift is cash, property that is expected to appreciate over the owner's lifetime, or property that has already been highly appreciated. In order to avoid an increase in taxes on a gift that is expected to appreciate over time, the gift could be given at an earlier point in time and therefore be taxed in the giver's estate at a lower value, decreasing the total taxes on the estate at the death of the estate owner. When highly appreciated property is given as a gift during the

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<sup>21</sup>Harl, p. 118.

<sup>22</sup>Kess and Westlin, p. 153.

owner's lifetime, the donor's old basis will carry over to the recipient of the gift. The recipient will have shouldered the donor's potential income tax liability.<sup>23</sup>

### 3.4 Charitable Deductions

A fourth factor to consider when choosing ways to meet estate planning goals is the charitable deduction. A charitable deduction is a contribution of either money or property to organizations that are designated as charitable by the federal government.<sup>24</sup> Any deduction made during the lifetime of the giver will not be included in either the gross, taxable, or probate estates at death, and any charitable contributions made through the will decrease the taxable estate by the total amount of the contributions. By decreasing the taxable estate, estate taxes are also decreased.

### 3.5 Marital Deduction

A very important consideration for any married person when choosing methods to accomplish their estate planning goals is the marital deduction. The marital deduction is equal to the total amount of all property passing to the surviving spouse outright (property not in a trust, etc.) at the death of the first spouse and may equal up to 100% of the decedent's gross estate.<sup>25</sup> Since this deduction applies only to

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<sup>23</sup>Harl, pp. 135-137.

<sup>24</sup>Federal Estate and Gift Taxes Explained 1983 ed. (Chicago: Commerce Clearing House, Inc., 1983), p. 213.

<sup>25</sup>Burkhart and Geyer, pp. 12-13.

property passing to a surviving spouse, the deduction can not be used in the estate of a widow, widower, or single person.<sup>26</sup> The marital deduction is subtracted from the gross estate which is adjusted by the subtraction of certain expenses, such as debts and funeral and administrative expenses, and will decrease the taxable estate by the total amount of the deduction, therefore decreasing estate taxes.<sup>27</sup>

When developing an estate plan each of these five aspects: how property is held, trust, gifts, charitable deductions, and the marital deduction, should be considered in order to choose the methods which will best fulfill the goals of the estate owner.

#### 4. Implementing the Chosen Plan

The fourth and final step in establishing an estate plan is the implementation of the chosen plan. This might involve making changes in insurance policies, selling assets, transferring assets by gift, the creation of trusts, and the preparation of a will.<sup>28</sup>

Now that the estate planning process has been explained and ways have been shown that enable a person to develop an estate plan to meet his individual needs, certain questions might arise such as: How does a person go about deciding which method will best meet his needs?; How will a person's estate be effected if his financial situation changes in

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<sup>26</sup>Harl, p. 67.

<sup>27</sup>Burkhart and Geyer, pp. 12-13.

<sup>28</sup>Harl, p. 337.

the future?; How can a person keep his estate plan up to date with his changing financial situation? Two microcomputer programs have been developed to help answer these and other questions. They will allow the user to evaluate each plan by comparing the cost of alternative estate plans in terms of the estate taxes associated with them. The first of these programs, NETWORTH, calculates the total market value, total debt, and net worth (total assets minus total liabilities) of an estate. These values are then used in the second program, VESTAX, which calculates the federal and Virginia estate taxes. A detailed explanation of these programs is included in the User's Guide. At the end of this guide, an example is provided that utilizes some of the aspects of estate planning that have been covered in the preceding pages. It is hoped that this example will help the user to better understand the estate planning process and its implications.

## CHAPTER III THE PROGRAMS

### NETWORTH

The purpose of NETWORTH is to provide the user of the program with an estimate of his or her overall financial worth. The person using this program should fill out the estate inventory form/input form (see Table 3) before beginning the program and after carefully reading the directions to each question on the form. NETWORTH allows an individual to enter his financial data into the program separately, or a husband and wife may enter their financial data simultaneously. This program will allow people to keep updating their estate when they acquire a new asset or incur a new liability. They will therefore always be able to assess the current state of their financial situations.

### VESTAX

The second microcomputer program, VESTAX, calculates the federal and Virginia taxes on an individual's estate at death. VESTAX allows an individual (or a married couple) to compare the tax effects of different estate plans in order that he may choose the plan that best fulfills his estate planning goals and perhaps minimizes his estate taxes. The person or couple using this program should fill out the input form (see Table 4) before beginning the program and after carefully reading the directions. This program calculates two sets of taxes. First, the

Table 3. A sample input form for NETWORTH

NETWORTH INPUT FORM

Summary of assets and liabilities

Date: (---/---/---)

<u>ASSETS:</u>	<u>Husband</u>	<u>Wife</u>	<u>Jointly</u>
Cash	_____	_____	_____
Bank Accounts (checking & savings)	_____	_____	_____
Notes Receivable	_____	_____	_____
Mortgages Receivable	_____	_____	_____
Accounts Receivable	_____	_____	_____
Trusts	_____	_____	_____
Bonds	_____	_____	_____
Stocks	_____	_____	_____
Closely Held Business Interests	_____	_____	_____
Real Estate (assets)	_____	_____	_____
Livestock	_____	_____	_____
Farm Machinery	_____	_____	_____
Crop Inventory	_____	_____	_____
Taxable Insurance	_____	_____	_____
Motor Vehicles	_____	_____	_____
Home Furnishings	_____	_____	_____
Jewels & Furs	_____	_____	_____
Art Collections	_____	_____	_____
Personal Effects	_____	_____	_____
Other Personal Property	_____	_____	_____
Miscellaneous Assets	_____	_____	_____
 <u>LIABILITIES:</u>	<u>Husband</u>	<u>Wife</u>	<u>Jointly</u>
Personal Debts	_____	_____	_____
Mortgages/Other Real Estate(debts)	_____	_____	_____
Unsecured Notes/Installments	_____	_____	_____
Accounts Payable	_____	_____	_____
Liens	_____	_____	_____
Miscellaneous Debts	_____	_____	_____



Table 4. A sample input form for VESTAX

## VESTAX INPUT FORM

1. Name for this problem:
2. Today's date: --/--/--
3. Current year: ----
4. Number of estates being planned: (1=one, 2=husband's and wife's)

	<u>ESTATE</u>	
	<u>1</u>	<u>2</u>
5. Sex (male=1, female=2)		
6. Present age		
7. Expected lifetime (in years)		
8. Market value of estate		
9. Total debts of estate		
10. Funeral expenses		
11. Administrative expenses		
12. Expected percent growth rate		
Proportion of estate going to:		
13. Surviving spouse outright		
14. Surviving spouse in a life estate		
15. Children		
16. Charitable deductions		
17. Other bequests		
18. Total taxable gifts given		
19. Total federal gift taxes paid		

computer calculates the federal and state taxes on the estate the individual has planned. Second, the computer plans the individual's estate in such a way as to minimize taxes by using the marital deduction and the exemption equivalent for the year of death (see Table 5). Since the marital deduction is used to minimize taxes, only a married individual's taxes may be minimized by VESTAX. A single person's estate taxes will not be minimized, therefore his estate taxes calculated in the "Federal and State Tax Minimization Results" section will be the same as those calculated in the "Federal and State Tax Results" section.

VESTAX minimizes a married individual's taxes by using the following guideline. A person dying in 1983, who has a taxable estate of \$275,000 or less, will pay no federal estate tax (and no Virginia estate tax since it is tied to the federal tax). This is due to the fact that each year the federal government gives a unified credit to everyone filing federal estate and gift tax returns.<sup>29</sup> For 1983 this unified credit was \$79,300 which is equal to the federal estate tax on a taxable estate of \$275,000. The exemptions for the years 1983-1987 are shown in Table 5.

VESTAX minimizes a married couple's estate by adding the husband's and the wife's estates together and then putting half of their combined net worths into each estate. The effect is that now both parties have estates of equal worth, with each estate equaling one half of the total

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<sup>29</sup>Harl, pp. 74-75.

Table 5. Unified Credits and Exemption Equivalents for Federal and Estate Gift Tax for Years 1983-1987 and Thereafter

YEAR	UNIFIED CREDIT	AMOUNT OF TAXABLE ESTATE (Exemption Equivalent)
1983	\$ 79,300	\$275,000
1984	96,300	325,000
1985	121,800	400,000
1986	155,800	500,000
1987	192,000	600,000
1988 and on	use 1987 value	use 1987 value

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<sup>30</sup>Weinstock, pp. 57-58.

of the two estates. Then, according to the year and the size of the combined estates, VESTAX does one of the following things:

(In the following examples, assume for simplicity that the year is 1987 or after; in all 3 cases the husband dies first; and there are no debts, charitable deductions, funeral or administrative expenses in either estate.)

1. If the combined gross estates are less than or equal to \$600,000 (for our example equal to \$600,000), then there would not be any federal or Virginia estate taxes on either estate. In this case VESTAX sets the marital deduction in the estate of the first spouse to die equal to his or her net estate.

	<u>Husband</u>		<u>Wife</u>
Gross estate	300,000	Gross estate	300,000
Marital deduction	<u>300,000</u>	Amount from husband	<u>300,000</u>
Taxable estate	0	Gross estate	<u>600,000</u>
		Exemption equivalent	<u>600,000</u>
		Taxable estate	0

2. If the combined gross estates are between \$600,000 and \$1,200,000 (for our example \$1,200,000), then VESTAX sets the value of the amount left to the surviving spouse in a life estate equal to the first spouse to die's net estate.

	<u>Husband</u>		<u>Wife</u>
Gross estate	600,000	Gross estate	600,000
Life estate to wife = exemption equiv.	<u>600,000</u>	Exemption equiv.	<u>600,000</u>
Taxable estate	0	Taxable estate	0

3. If the combined gross estates are greater than \$1,200,000 (for example \$1,300,000), then VESTAX sets the amount put in a life estate for the surviving spouse equal to the allowable exemption equivalent, with the excess equaling the marital deduction.

	Husband		Wife
Gross estate	650,000	Gross estate	650,000
Life estate to wife = exemption equiv.	600,000	Amount from husband	50,000
Marital deduction	50,000	Gross estate	700,000
Taxable estate	0	Exemption equiv.	600,000
		Taxable estate	100,000

These minimization calculations assume that when the property is split into each spouse's individual estate, all property held jointly with right of survivorship will no longer be held that way. The reason that this assumption is vital is that property held jointly with right of survivorship will automatically be inherited outright by the spouse and therefore can not be put into a life estate. If the surviving spouse inherits all of the property outright, then when he or she dies the total amount of his or her estate, including the total amount of property that was held jointly with right of survivorship, will be subject to estate taxes.

NOTE: It should be noted that the VESTAX minimization divides the estates into two equal estates before the growth factor is applied. However, this does not present a problem because minimization of estate tax liabilities can be taken care of by inserting a clause in each spouse's will. The clause would in effect say that if the combined estates are less than \$600,000 all property will pass to the surviving

spouse outright. If the combined estates are over \$600,000 then the amount of property up to and equaling the exemption equivalent for the year of death is to be put in a life estate for the surviving spouse, with the excess passing to the spouse outright and therefore qualifying for the marital deduction.

The above procedure suggests that by building estates that are of equal value, a married couple may be able to minimize their estate taxes. By following this procedure, a couple will also avoid the possibility that the spouse with the smaller estate might pass on first. This is an important point to note if you are trying to utilize the marital deduction to its fullest advantage to reduce taxes. For example, suppose a couple has built their estates so that the wife's estate is substantially larger than the husband's. If the husband were to pass on first, the marital deduction would be applied to his estate, and when his wife (who is now a widow and therefore is not eligible to use the marital deduction) passes on she will have to use other techniques (such as gifts, trusts, and testamentary gifts to charity) to minimize her taxes. Full advantage was not taken of the marital deduction because the husband, whose estate was very small, used the deduction and his widow, who could have made much better use of the deduction due to the size of her estate, could not use it.<sup>31</sup> This may

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<sup>31</sup>Weinstock, pp. 57-58.

be hard to understand so a numerical example using this concept will be shown later, in the user's guide on page

By using this program, individuals (married couples) can project their estate's growth and tax liabilities into the future. Knowing what can happen in the future will allow individuals to plan their estate throughout their lifetimes, updating the plan as needed to meet changes in the estate and their goals.

## CHAPTER IV

### USER'S GUIDE

The purpose of this User's Guide is to familiarize you with the general workings of an IBM personal computer (or a compatible personal computer) and with the two programs, NETWORTH and VESTAX.

NOTE: If you are familiar with the IBM personal computer you may proceed to User's Guide Part B. Otherwise, start with Part A and proceed.

#### Part A

1. Holding the diskette with your thumb and forefinger, making sure that the label is face up, insert the diskette, indented end first, into the slot. (If there are two slots, insert the diskette into the one to your left.) Close the door.
2. Turn on the computer by flipping up the switch, which is located at the base of the computer and to your right.
3. You should now see the following displayed on the screen:

```
Current date is Tues 1-01-1980
Enter new date:
```

Since for our purposes the date is unnecessary, you may simply press the return key if you do not want to enter the date. If you do wish to enter the date, enter it in the form: dd--mm--yy (ex. 11-19-83) and press the return key. (The return key will be located to your right and on its face it will have an arrow with a bent tail.)



4. You should now see the following message:

Enter new time:

If you do not wish to enter the time, again simply press the return key. If you wish to enter the current time, enter it in the form: hour:minutes (ex. 3:45) and press the return key.

NOTE: You must press the return key after each piece of information is typed in order for the computer to be able to read it.

5. You will now see the following displayed:

A >

Type in the word: basic and press the return key.

6. When the message

```
The IBM Personal Computer Basic
Version D1.10 Copyright IBM Corp. 1981,1982
40959 Bytes free
OK
```

is displayed, press the key labeled "F3". You should see the word "LOAD". Type in the name of the program you wish to run, either VESTAX or NETWORTH, directly after "LOAD". DO NOT leave a space between the two words (ex. "LOAD"vestax).

7. When the word "OK" is displayed, press the key labeled "F2".
8. A menu selection should be displayed on the screen now and should say at the top "MENU SELECTIONS". This will be explained in part B.

NOTE: If you make a mistake during Part A, and you wish to go back and correct it, simply press the keys labeled "Alt", "Ctrl" and "Del" simultaneously. This will take you back to the beginning of Part A.

Part B

9. A menu should be displayed on the screen now and should say at the top "MENU SELECTIONS". The menu selections will be different for NETWORTH and VESTAX. Below are what the menu selections will look like for each program:

## NETWORTH

1. Enter Data
2. View Data
3. Change Data
4. Run Analysis
5. View Results of Analysis
6. Print Results of Analysis
7. Save Current Data
8. Read Old Data
9. End Program

## VESTAX

1. Enter Data
2. View Data
3. Change Data
4. Run Analysis
5. View Results of Analysis
6. View Federal Estate Tax Minimization
7. Print Estate Summary & Bequest Tables
8. Print Federal & State Estate Tax Results
9. Print Federal Estate Tax Tables
10. Save Current Data
11. Read Old Data
12. End Program

The menu selections are a list of options you may choose within the program you have chosen. The number in front of each option is the number you will enter into the computer if you choose that option.

If you enter 1 you will be choosing the Enter Data option (regardless of which program you choose). Enter Data will ask you questions and after you have completed answering all the questions, the

message "Press the return key to continue" will be displayed. This means that there are no more questions for you to answer in this section. After you press the return key, you should see the menu selections displayed before you again. You may now choose the next option that you wish to do. (Each time you complete an option you will see the message "Press the return key to continue" and when you comply, you will always go back to the menu selections.)

If you enter 2 you will be choosing the View Data option which allows you to see the information you entered in option 1, Enter Data. In this option you will see a display of information, and at the bottom of this display will be the message "Press the return key to continue". When you comply, you will see displayed another set of information that you have entered. When all the data has been displayed you will see the "Press the return key to continue" message, and when you press the return key you will return to the menu selections.

You should look at the information that is displayed in this option very carefully to see if you have made any mistakes when entering the data. If you have made mistakes, write them down, and go on to option 3, Change Data.

If you enter 3 you will be choosing the Change Data option. This option will allow you to correct any mistakes you may have made. It will also allow you to change your information, if for example you wanted to see what would happen to your estate in the future if you got married, had more possessions, etc.

The first question you will see displayed on the screen will be "Which piece of data would you like to change?". In answer to this question you should enter the abbreviation for the information you want to change. The abbreviations for the pieces of information are listed in Table 6 for NETWORTH and Table 7 for VESTAX. After you have entered the correct abbreviation (do not forget to press the return key), you will see the statement "Enter the correct number" and you should enter the correct answer (it will always be numerical) to the piece of information you want to change.

For example if the correction being made is to change the number of estates you wish to plan from 2 to 1, you would answer the question "Which piece of data would you like to change?" by typing JCT. (To see where the abbreviation came from refer to Table 7.) You would then enter 1 when the statement "Enter the correct number" appeared. This option only allows one piece of information to be changed at a time, so if you have made more than one mistake, you must choose this option each time you wish to correct a mistake.

If you enter 4 you will be choosing Run Analysis. This option will perform the necessary calculations on the information you entered. (This option should be chosen once all mistakes have been corrected in order for the change(s) to be incorporated in the calculations.)

The rest of the option numbers will differ depending on whether you are using VESTAX or NETWORTH however, the basic functions of the options are the same.

Table 6. Abbreviations for the NETWORTH data used in the Change Data Option

## NETWORTH INPUT FORM

## Summary of assets and liabilities

Date: (--/--/--)

<u>ASSETS:</u>	<u>Husband</u>	<u>Wife</u>	<u>Jointly</u>
Cash	C#(1)	C#(2)	C#(3)
Bank Accounts (checking & savings)	BA#(1)	BA#(2)	BA#(3)
Notes Receivable	NR#(1)	NR#(2)	NR#(3)
Mortgages Receivable	MR#(1)	MR#(2)	MR#(3)
Accounts Receivable	AR#(1)	AR#(2)	AR#(3)
Trusts	T#(1)	T#(2)	T#(3)
Bonds	B#(1)	B#(2)	B#(3)
Stocks	S#(1)	S#(2)	S#(3)
Closely Held Business Interests	HB#(1)	HB#(2)	HB#(3)
Real Estate (assets)	RE#(1)	RE#(2)	RE#(3)
Livestock	L#(1)	L#(2)	L#(3)
Farm Machinery	FM#(1)	FM#(2)	FM#(3)
Crop Inventory	CR#(1)	CR#(2)	CR#(3)
Taxable Insurance	TI#(1)	TI#(2)	TI#(3)
Motor Vehicles	MV#(1)	MV#(2)	MV#(3)
Home Furnishings	HF#(1)	HF#(2)	HF#(3)
Jewels & Furs	JF#(1)	JF#(2)	JF#(3)
Art Collections	AC#(1)	AC#(2)	AC#(3)
Personal Effects	PE#(1)	PE#(2)	PE#(3)
Other Personal Property	PI#(1)	PI#(2)	PI#(3)
Miscellaneous Assets	MA#(1)	MA#(2)	MA#(3)
<u>LIABILITIES:</u>	<u>Husband</u>	<u>Wife</u>	<u>Jointly</u>
Personal Debts	PD#(1)	PD#(2)	PD#(3)
Mortgages/Other Real Estate (debts)	RD#(1)	RD#(2)	RD#(3)
Unsecured Notes/Installments	UN#(1)	UN#(2)	UN#(3)
Accounts Payable	AP#(1)	AP#(2)	AP#(3)
Liens	LN#(1)	LN#(2)	LN#(3)
Miscellaneous Debts	MD#(1)	MD#(2)	MD#(3)

\*The abbreviations must be capitalized when entering them in the Change Data option.

Table 7. Abbreviations for VESTAX data used in the Change Data Option

## VESTAX INPUT FORM

1. Name for this problem: A\$
2. Today's date: --/--/-- D\$
3. Current year: ----
4. Number of estates being planned: (1=one, 2=husband's and wife's)  
JCT

	<u>ESTATE</u>	
	<u>1</u>	<u>2</u>
5. Sex (male=1, female=2)	SX(1)	SX(2)
6. Present age	AGE(1)	AGE(2)
7. Expected lifetime (in years)	DA(5)	DA(15)
8. Market value of estate	DA(1)	DA(11)
9. Total debts of estate	DA(2)	DA(12)
10. Funeral expenses	DA(3)	DA(13)
11. Administrative expenses	DA(4)	DA(14)
12. Expected percent growth rate	DA(6)	DA(16)
Proportion of estate going to:		
13. Surviving spouse outright	SO(1)	SO(2)
14. Surviving spouse in a life estate	XE(1)	XE(2)
15. Children	CO(1)	CO(2)
16. Charitable deductions	CH(1)	CH(2)
17. Other bequests	OB(1)	OB(2)
18. Total taxable gifts given	FG(1)	FG(2)
19. Total federal gift taxes paid	GC(1)	GC(2)

A View Results option allows you to see the results of the calculations performed. (If option 4 has not been run then zeros will appear for all of the numbers that were supposed to have been calculated.)

A Print Results option allows you to print out the results of the calculations and also a list of the information you entered. Make sure that the printer is turned on and is hooked up to your terminal or you will get an error message and nothing will print out. Again, if Run Analysis has not been run, zeros will be printed out in place of the numbers that were supposed to have been calculated.

The Save Current Data option allows you to save the data you have just entered. When you choose this option, you will see the question "What name do you wish to save this data under?". Type in a name for the data, such as newdata, and press the return key. You will then see the message "Please wait, I am saving the data". When the computer has finished saving the data the messages, "I have finished saving the data name you gave the data" and "Press the return key to continue" will appear.

The Read Old Data option allows you to read the data that you saved at a previous time. When you choose this option you will see the question "What is the name of the data you would like to read?". Type in the name that you saved the data under and press the return key. You will see the message "Please wait, I am reading the data". When the computer has finished reading the data the messages, "I have finished

reading the old data name you gave the data" and "Press the return key to continue" will appear.

The End Program option (always the last option) allows you to end the program. It will erase all the information you entered and all calculations that were performed, unless you saved them with the Save Current Data option.

### Part C

1. If, after you have chosen the End Program option, you wish to run the same program again, just press the key labeled "F2" and follow the instructions in Part B.
2. If you wish to run a different program, simply press the "F3" key and type in the name of the appropriate program, then press the "F2" key and follow the instructions in Part B.
3. If you do not want to run either program then open the disk drive door, take out the diskette, and turn off the computer by flipping the switch on the right-hand side of the machine down. DO NOT turn off the machine while the diskette is still in it and make sure that you NEVER open the disk drive door while the red light is on!

NOTE: If at any time you are using the programs, and you wish to quit but are unable to use the End Program option, simply push the key labeled "Ctrl" and the key labeled "Break" simultaneously. This will give you a "control break" message. You have ended the program and all the information you entered has been erased (unless you have saved it). If you wish to begin that same program again, simply push the key



labeled F2, or see the directions in Part C for your other options at this point.

Now that you know how to use the computer and you also know a little about how to operate the programs, the next step is to learn how the individual programs themselves work. In the following pages, directions will be given on how to fill out both NETWORTH's and VESTAX's input forms. (See Tables 3 and 4 for sample forms.) Please make sure that you carefully read and understand the directions before trying to use the programs. A sample problem and solutions will be provided so that you may make sure you understand how to use the computer and the programs.

## NETWORTH

The purpose of NETWORTH is to provide individuals and married couples with the means to calculate an overall estimate of their financial worth.

## DIRECTIONS FOR NETWORTH INPUT FORM

Please read the following directions carefully before using NETWORTH.

1. The word "party" refers to either the husband, the wife, or the husband and wife jointly.
2. Due to the manner in which this program works, an unmarried person who owns property with someone else (or a married person who owns property with someone other than their spouse) can not use the column labeled "jointly". If this is the case, the person should enter only the dollar amount of the portion of the asset or liability that they own in the appropriate line and column. (For example, suppose a man and his brother jointly own one hundred acres of land valued at \$10,000. The man would enter his \$5,000 share of the land in the column labeled "husband" because he does not own it jointly with his spouse.) An individual may enter their financial information in either the column labeled "husband" or the column labeled "wife", but NOT the column labeled "jointly".
3. All answers should be entered in the form:  
husband's amount, wife's amount, jointly held amount

regardless of whether one part of the answer, or all of the parts of the answer, are zero.

Example: A husband and wife hold all their cash, 4,000 dollars jointly. When entering this information in the appropriate line in the computer it would look like 0,0,4000. (The commas between each entry must be included, but the commas within the numbers themselves must not be included.)

4. When entering the numerical data into the program, do not include commas within the numbers themselves.
5. The following are the directions for entering the financial information into the input form.

#### ASSETS:

1. Cash: Enter the amount of all cash held by each party in the appropriate column.
2. Bank Accounts: Add up the current amount held by each party in both checking and savings accounts and enter the total for each party.
3. Notes Receivable: Add up the remaining amounts collectible by each party on all notes receivable and enter the total for each party.
4. Mortgages Receivable: Add up the remaining amounts collectible by each party on all mortgages receivable and enter the total for each party.
5. Accounts Receivable: Same as notes and mortgages receivable. Also include all miscellaneous receivables here.

6. Trusts: Include the amounts of all trusts established by each party and those that were created by others and have the party as the ultimate beneficiary. Only taxable trusts are included here because this value will be used later on to calculate estate tax liabilities. A trust is taxable in the estate of the person who receives income, property, or other benefits from it, or who retains the right to change the trust's beneficiaries or to dissolve the trust.<sup>33</sup>
7. Bonds: Enter the total of the current market values of all bonds owned by each party. (Current market value equals the price at which they could be sold today.)
8. Stocks: Enter the total of the current market values of all listed stocks (stocks that are registered/being traded on the exchanges) owned by each party.
9. Closely Held Business Interests: A closely held business is typified by: 1. a small number of stockholders, 2. not being traded on any stock exchange, 3. the majority stockholders are substantially involved in the management, direction and operation of the business.<sup>34</sup> Enter the total of the value (as you estimate it) of all closely held business interests owned by each party.

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<sup>33</sup>Burkhart and Geyer, p. 18.

<sup>34</sup>Alfred F. Conrad, et al., Enterprise Organization: Cases, Statutes and Analysis 3rd ed. (New York: The Foundation Press, Inc., 1982), p. 802.

10. Real Estate (assets): Enter the total of the current market value of all real estate (this includes homes, etc.) owned by each party.
11. Livestock: Enter the total of the current market value of all livestock (both those produced on the farm and those that were purchased) owned by each party. If any of these animals have been pre-sold, for example through the futures market, then use the expected price as the current market value.
12. Farm Machinery: Enter the total current market value of all farm machinery owned by each party. For example, if a 1979 tractor in the same condition and of the same make and model as yours, is selling for \$12,000, then the current market value of the party's tractor is \$12,000.
13. Crop Inventory: Enter the total current market value (or the expected value if the crop has been hedged or pre-sold) of all crops owned by each party. This includes both crops that have been harvested and are being stored, and crops that are still in the ground.
14. Taxable Insurance: Insurance is taxable in the estate of the party that has the right to do one or more of the following: change the beneficiary of the policy, borrow on the policy, choose how the policy will be paid off, or receive the cash surrender value of the policy. Add up the face values of each party's taxable insurance policies and enter the total amount for each party in the appropriate column. For example, suppose a husband takes out a life insurance policy, with a face value of \$100,000, on his life and

names his wife as beneficiary. However, he retains the right to borrow on that policy in case he needs operating capital for his business. The \$100,000 face value of the insurance would be included in the husband's estate.

(Non-taxable insurance is not included in an estate for tax purposes, so therefore it will not be included in these calculations. This is because the value of the estate that is calculated by this program will be used in VESTAX to calculate estate taxes. Therefore, net worth is actually greater than the amount calculated, by the amount of non-taxable insurance.)

15. Motor Vehicles: Enter the total of the current market value of all personal motor vehicles owned by each party.
16. Home Furnishings: Enter the total of the current market values of all home furnishings owned by each party.
17. Jewels and Furs: Enter the total of the current market values of all jewels and furs owned by each party.
18. Art Collections: Enter the total of the current market values of all art collections owned by each party.
19. Personal Effects: Enter the total of the current market values of all personal effects owned by each party.
20. Other Personal Property: Enter the total of the current market values of all other personal property items owned by each party that are not included in the above categories.

21. Miscellaneous Assets: Enter the total of the values of all other assets owned by each party that are not included in the above categories.

NOTE: Up to \$100,000 of IRA's and Keogh plans are excludable from estate taxation. Any amount over \$100,000 should be included in NETWORTH under miscellaneous assets.<sup>35</sup>

LIABILITIES:

1. Amount Due; Personal Property: Enter the total of all remaining amounts due on all personal debts owed by each party.
2. Amount Due; Real Estate (debts): Enter the total of all remaining amounts owed by each party on any mortgages, real estate repairs, or any other real estate debts.
3. Amount Due; Unsecured Notes: An unsecured note is a promise to pay someone, that is not backed up by a pledge of property either real or personal. (For example, if you were to borrow one thousand dollars from the bank and the banker did not require you to put up any collateral as insurance that you would pay back the loan, then this would be an unsecured note.) Enter the total amount of all unsecured notes owed by each party.
4. Amount Due; Accounts Payable: Enter the total of all remaining amounts due on all accounts payable owed by each party.

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<sup>35</sup>Federal Estate and Gift Tax Explained, pp. 157-158.

5. Liens Against Property: A lien against an individual's property gives the person holding the lien the right to take and hold or sell the property as security or payment for a debt owed to them by the property's owner. Enter the total of the amounts of all liens against each party's properties other than those covered in 2 above.
6. Miscellaneous Debts: Enter the total of all remaining amounts due on all debts owed by each party that are not included in any of the above categories.

The values calculated in NETWORTH (the market value of the estate and the total debt in the estate) may be used in VESTAX in order to calculate estate tax liability. To get from NETWORTH to VESTAX, end NETWORTH (option #9 within the NETWORTH program) and then follow the directions in Part C 2.



## VESTAX

The purpose of Vestax is to provide a means for an individual or married couple to calculate the federal and Virginia taxes on their estates.<sup>36</sup>

\*\*\* This program is NOT a substitute for professional advice from attorneys, accountants or other qualified professionals. Professional advice should always be sought before any major changes are made in your estate.

## DIRECTIONS FOR VESTAX INPUT FORM

Please read the following explanation of the VESTAX input form carefully before filling out the input form or using the program. (When entering the numerical data into the computer do not include commas.)

1. Name for this problem: This may be used to identify different estate plans or some other similar use, or simply may be left blank. (To leave it blank, just press the return key.)
2. Today's date: Enter the date in the form \_\_ \_\_ \_\_ \_\_ ex. 1983  
(NOTE: You may not change this using the Change Data option. If you have entered this incorrectly, press the key labeled "ctrl" and

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<sup>36</sup>Parts of Vestax were adopted from the "Estate Tax Estimate Program" written by Ted R. Nelson, an extension economist in the agricultural economics department at Oklahoma State University.

the key labeled "break" simultaneously. This will give a "Control Break" message. When this message is displayed, push the key labeled "F2" and you will have begun the program again. All the information you entered previously will have been erased.)

4. Number of estates being planned: Enter the number 1 if you are planning an individual's estate and 2 if you are planning a husband's and wife's estate. Two unmarried people may not plan their estates together using this program.
5. Sex of the person: Enter 1 for male and 2 for female. (This piece of information may not be changed by using the "Change Data" option. To correct mistakes, follow the procedure outlined above in direction 3.)
6. Present age (in years): Enter the age of the individual in years only (no months, days, etc.), rounding up or down as is necessary.
7. Expected lifetime: An average mortality table is built into the program which allows the user to enter zero (or not enter anything at all -- just press the return key) and the program will predict the individual's average expected lifetime.<sup>37</sup> If two estates are being planned, one person may use the mortality table and the other not use it, both may use it, or neither need use it. If you are entering your own expectation, enter the number of years (no months or days) that you expect to live from this point in time, ex: If

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<sup>37</sup>Information Please Almanac 1983 (New York: A&W Publishers, Inc., 1982), pp. 796-797.

you are 25 years old now and expect to live to be 75, enter 50.

NOTE: This program does not allow you to die in the current year.

The answers to any of the following questions may be left blank (equal to zero) by pressing the return key.

8. Market value of estate: Enter the total dollar value of all assets in your estate. (This number can be obtained from the bottom of the NETWORTH printout.)

\*Be aware of the effect of inheritances on the market value of your estate. Not only do inheritances increase the value of your estate, but if the inheritance is an asset that might have a positive growth rate, then your estate's value might increase more quickly than you had anticipated. This increase could lead to an estate tax problem if it was not foreseen.

9. Total debts of your estate: Enter the dollar amount of all liabilities in your estate. (This number can also be obtained from the bottom of the NETWORTH printout.)

\*If you expect to pay off or to decrease your debts over time, you may use the change data option to enter the amount of debts that you expect to have at death, and compare the two sets of results.

10. Funeral expenses: Enter the dollar amount of all expected funeral expenses.

11. Administrative expenses: You can enter a dollar amount, a percent in the form 0.## in which case the expense will be calculated as that percent of the net estate, or 0 in which case a default value

will be calculated which equals 5% of the net estate.<sup>38</sup> See Table 8. for a guide to use when estimating administrative expenses.

12. Expected percent growth rate per year: Enter the percent (in the form #.## ex. 5% = 5, 6.5% = 6.5) that you think the market value of your estate will grow by each year.

NOTE: Some assets will increase in value at a faster rate than others, some will increase only slightly in value, but most assets will not increase in value at all, and some will even decrease in value due to depreciation, etc. Each asset's individual growth rate should be taken into consideration when deciding upon an expected yearly growth rate for the total estate. Perhaps a weighted average of each asset and its expected yearly growth rate could be used.

Example: A person has the following assets in their estate: land valued at \$100,000 with an expected growth rate of 6%, a car valued at \$5,000 with an expected growth rate of 0%, and a townhouse valued at \$10,000 with an expected growth rate of 3%. A weighted average of the estate expected growth rate would be:

$$\frac{100,000}{115,000} \times 6 + \frac{5,000}{115,000} \times 0 + \frac{10,000}{115,000} \times 3 = 5.478$$

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<sup>38</sup>Five percent is an average value. Use of Table 8 is recommended for a more accurate calculation.

Table 8. A guide to use when estimating estate administrative expenses

<u>Gross Estate</u>	<u>Admin. Expenses</u>
\$ 0 - 200,000	5% of the gross estate
\$ 200,001 - 500,000	3% of the gross estate
\$ 500,001 - 1,000,000	2% of the gross estate
\$1,000,001 - on up	1% of the gross estate

NOTE: The total of the answers to questions 13 through 17 can not exceed 1.00. If they did, the person would be giving away more than they owned.

13. Proportion of estate going to surviving spouse outright: Enter this in the form 0.## (ex. 25% = .25, 100% = 1.00). The marital deduction will equal this amount and it may equal up to 100% of the adjusted gross estate of the first spouse to die. The taxable estate is then decreased by the amount of the marital deduction. In VESTAX, if the number entered here is greater than zero but the person is the surviving spouse, the amount of the marital deduction will be zero. This is because only married people can claim the marital deduction: singles, widows and widowers may not claim it.
14. Proportion of estate going to surviving spouse in a life estate: Assets left in a life estate may not be included in the marital deduction and therefore are taxed at the death of the owner.<sup>39</sup> However, the person to whom the life estate is willed, in this case the surviving spouse, receives the income and/or benefits from the life estate's assets but does not pay taxes on the assets at his or her death. Instead the assets pass on to whomever the first spouse designated as the beneficiary at the death of his or her surviving spouse. Enter this amount in the form 0.##.

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<sup>39</sup>Harl, p. 84.

Example: A husband dies and in his will he stated that half of his estate would pass to his wife outright and half would pass to her in a life estate with the property in the life estate passing to their son at her death. Only the property left in the life estate is taxed at the husband's death because the half left outright is the marital deduction. The wife is entitled to the income generated by this life estate and the benefits that accrue to it, but the property/assets will not be taxed in her estate at her death.<sup>40</sup> The person who is receiving benefits, etc. from a life estate is responsible for paying any mortgage payments or property taxes due and for keeping the property in good shape. This person may not sell, mortgage or bequeath the property to anyone else. An exception to this would be if the son (in our example), to whom the assets in the life estate will pass at his mother's death, were of legal age and he agreed to let his mother sell, mortgage, etc. the property, then she could do so.

15. Proportion of estate left to the children: Enter the percent in the form 0.##. This amount is included in the taxable estate.
16. Proportion of estate going to charitable deductions: Enter just as in 15. This amount will not be taxed and will reduce the taxable estate by the total amount. Allowable charitable deductions include: any business that operates only for religious,

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<sup>40</sup>Harl, pp. 84-85.

scientific, literary, charitable, or educational purposes; any veteran's organization incorporated by Congress; or any state or federal political group used exclusively for public purposes.<sup>41</sup> (For more detailed information see the 1983 or current edition of Federal Estate and Gift Taxes Explained.)

17. Proportion of estate going to other bequests: Enter in the form 0.##. Sum the bequests made to all other people or organizations not included in the above categories and enter that proportion here.
18. Total taxable gifts given: Add up the total amount of all taxable gifts ever given and enter the dollar amount.
19. Total federal gift taxes paid: Add up the total amount of all federal gift taxes ever paid by you and enter the dollar amount.  
NOTE: On the VESTAX printout where estate tax calculations are shown, in both the section labeled "Federal and State Tax Results" and the section labeled "Federal and State Minimization Results", the meanings of three of the calculations may not be clear. "Total taxes" includes both state and federal estate taxes. "Liquid asset needs" includes total taxes plus the debts and funeral and administrative expenses in the estate. (These are the expenses that will be paid directly out of the estate, so cash will be needed to pay them.) "Net value transferred" equals the gross

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<sup>41</sup>Federal Estate and Gift Tax Explained, p. 213.



estate minus the liquid asset needs. (This is the amount that will be transferred to the spouse, children, charities, or other bequests.)

To make sure that you understand how the programs work, do the sample problem below and compare your results to those in this guide.

**SAMPLE PROBLEM:**

A husband and wife have the following estates:

<u>Assets</u>	<u>Owned by</u>	<u>Value</u>
Farmland	husband	500,000
Farm machinery	husband	150,000
Livestock	husband	200,000
Crops	husband	50,000
House	jointly	75,000
Home furnishings	jointly	2,000
Car	jointly	3,000
Bonds	jointly	25,000
Stocks	jointly	10,000
Family jewelry	wife	2,500
Closely held business	wife	100,000
Antique china collection	wife	5,000
Insurance on husband (taxable)	husband	100,000
Insurance on wife (taxable)	wife	50,000
Savings account	jointly	5,000
Checking account	jointly	2,500
Cash	jointly	150
 <u>Liabilities</u>	 <u>Owned by</u>	 <u>Value</u>
Mortgage on house (remaining amount due)	jointly	10,000
Accounts payable:		
feed bills	husband	5,000
loan on farm machinery	husband	25,000
loan on car	jointly	700
fertilizer bills	husband	2,500
veterinarian bills	husband	3,500
business operating loan	wife	20,000
Miscellaneous debts:		
VISA bill	jointly	500

The house, home furnishings, car, savings account, checking account, and cash are all owned jointly with right of survivorship. The stocks and bonds are owned jointly, but do not include right of survivorship.

Both Mr. and Mrs. Smith decide not to establish any trusts or life estates, but to simply include all bequests in their wills. Their bequests are as follows:

Mr. Smith wants his estate divided in the following way:

Son: Farm, machinery, livestock, crops less their debts  
 Daughter: His half of the jointly owned bonds  
 Wife: All else less debts

Calculating the proportion bequeathed to each person:

Son:	864,000 / 1,019,725 = .847	900,000-36,000 =	864,000
Daughter:	12,500 / 1,019,725 = .012		12,500
Wife:	143,225 / 1,019,725 = <u>.141</u>	148,825-5,600 =	<u>143,225</u>
	1.000	net estate	= \$1,019,725

Mrs. Smith wants her estate divided in the following way:

Son: Jewelry and antique china collection  
 Daughter: Business and her half of the bonds less debts  
 Husband: All else less debts

Calculating the proportion bequeathed to each person:

Son:	7,500 / 193,225 = .039		7,500
Daughter:	92,500 / 193,225 = .479	112,500-20,000 =	92,500
Husband:	93,225 / 193,225 = <u>.482</u>	98,825- 5,600 =	<u>93,225</u>
	1.000	net estate	= \$193,225

Neither Mr. or Mrs. Smith has ever paid any gift taxes but over their lifetimes each has given gifts totaling \$10,000. Funeral expenses will be \$2,500 each and administrative expenses will be 5%. Mr. Smith's estate will grow 5% per year and Mrs. Smith's estate will grow 3% per year. Mr. Smith is 60 years old and Mrs. Smith is 58. (Use the life expectancy table for both Mr. and Mrs. Smith.)

This is the information that you gave...

ESTATE INVENTORY

<u>ASSETS</u>	<u>HUSBAND</u>	<u>WIFE</u>	<u>JOINTLY</u>
Cash	0	0	150
Checking & Savings Accounts	0	0	7,500
Amount Due: Notes Receivable	0	0	0
Amount Due: Mortgages Rec.	0	0	0
Amount Due: Accounts Receivable	0	0	0
Trusts: Ultimate Beneficiary	0	0	0
Current Value of Bonds	0	0	25,000
Current Value of Stocks	0	0	10,000
Closely Held Bus. Interests	0	100,000	0
Current Value of Real Estate	500,000	0	75,000
Market Value of Livestock	200,000	0	0
Value of Farm Machinery	150,000	0	0
Current Value of Crops	50,000	0	0
Taxable Life Insurance	100,000	50,000	0
Value of Motor Vehicles	0	0	3,000
Value of Home Furnishings	0	0	2,000
Value of Jewels and Furs	0	2,500	0
Value of Art Collections	0	0	0
Value of Personal Effects	0	5,000	0
Other Personal Property	0	0	0
Miscellaneous Assets	0	0	0
 <u>LIABILITIES</u>	 <u>HUSBAND</u>	 <u>WIFE</u>	 <u>JOINTLY</u>
Amount Due: Personal Property	0	0	0
Amount Due: Real Estate	0	0	10,000
Amount Due: Unsecured Notes	0	0	0
Amount Due: Accounts Payable	36,000	20,000	700
Liens Against Property	0	0	0
Miscellaneous Debts	0	0	500

The value of your estate has been calculated as follows...

#### ESTATE SUMMARY

<u>ASSETS</u>	<u>HUSBAND</u>	<u>WIFE</u>	<u>JOINTLY</u>	<u>TOTAL</u>
Cash	0	0	150	150
Bank Accounts	0	0	7,500	7,500
Bonds	0	0	25,000	25,000
Stocks	0	0	10,000	10,000
Insurance	100,000	50,000	0	150,000
Trusts	0	0	0	0
Receivables	0	0	0	0
Real Estate (assets)	500,000	0	75,000	575,000
Personal Property	400,000	107,500	5,000	512,500
Misc. Assets	0	0	0	0
Total Assets	\$1,000,000	\$157,500	\$122,650	\$1,280,150
 <u>LIABILITIES</u>				
Real Estate (debts)	0	0	10,000	10,000
Liens	0	0	0	0
Unsecured Notes	0	0	0	0
Accounts Payable	36,000	20,000	700	56,700
Personal Debts	0	0	0	0
Misc. Liabilities	0	0	500	500
Total Liabilities	\$36,000	\$20,000	\$11,200	\$67,200
Net Worth	\$1,019,725	\$193,225	\$ 0	\$ 0

The market value of the husband's gross estate is \$1,061,325.

The total debt in the husband's estate is \$41,600.

The market value of the wife's gross estate is \$218,825.

The total debt in the wife's estate is \$25,600.

## SAMPLE PROBLEM:

The current year is 1983.

The age of the person in Estate 1 is 60.

The age of the person in Estate 2 is 58.

	<u>Market Value of Gross Estate</u>	<u>Total Debt</u>	<u>Funeral Expense</u>	<u>Administrative Expense</u>
1.	1,061,325.00	41,600.00	2,500.00	120,616.24
2.	218,825.00	25,600.00	2,500.00	40,325.98

	<u>Expected Lifetime (years)</u>	<u>Estate Growth Rate (%/yr.)</u>	<u>Year of Death</u>
1.	17.20	5.00	2000
2.	23.90	3.00	2007

## -----Proportion of Estate 1 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
0.14	0.00	0.86	0.00	0.00

## -----Dollar Amount of Estate 1 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
320,839.20	0.00	1,970,869.00	0.00	0.00

## -----Proportion of Estate 2 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
0.48	0.00	0.52	0.00	0.00

## -----Dollar Amount of Estate 2 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
367,772.90	0.00	398,420.70	0.00	0.00

## FEDERAL AND STATE TAX RESULTS

The age of the surviving spouse is 75.

<u>Estate 1 (Husband's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	2,456,424.67	2,456,424.67
Deductions		
Administrative	120,616.24	120,616.24
Funeral Expenses	2,500.00	2,500.00
Debt	41,600.00	41,600.00
Adjusted Gross Estate	2,291,708.43	2,291,708.43
Marital Deduction	320,839.19	320,839.19
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	1,980,869.00	1,910,869.24
Tentative Estate Tax	772,191.14	97,502.59
State Death Tax Credit	97,502.59	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	481,888.56	97,502.59
 Total Taxes	 579,391.10	
Liquid Asset Needs	744,107.36	
Net Value Transferred	1,712,317.31	

Value Transferred to Surviving Spouse is = \$ 320,839.19

Life Estate Transferred to Surviving Spouse is = \$ 0.00

<u>Estate 2 (Wife's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	834,619.58	834,619.58
Deductions		
Administrative	40,325.98	40,325.98
Funeral Expenses	2,500.00	2,500.00
Debt	25,600.00	25,600.00
Adjusted Gross Estate	766,193.60	766,193.60
Marital Deduction	0.00	0.00
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	776,193.60	706,193.60
Tentative Estate Tax	258,515.50	21,177.29
State Death Tax Credit	21,177.29	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	44,538.20	21,177.29
 Total Taxes	 65,715.50	
Liquid Asset Needs	134,141.48	
Net Value Transferred	700,478.10	

Total Taxes for both deaths \$645,106.63

## FEDERAL AND STATE MINIMIZATION RESULTS

<u>Estate 1 (Husband's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	1,481,446.00	1,481,446.00
Deductions		
Administrative	71,867.31	71,867.31
Funeral Expenses	2,500.00	2,500.00
Debt	41,600.00	41,600.00
Adjusted Gross Estate	1,365,478.94	1,365,478.94
Marital Deduction	765,478.94	765,478.94
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	610,000.00	540,000.00
Tentative Estate Tax	196,500.00	14,000.00
State Death Tax Credit	14,000.00	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	0.00	0.00
Total Taxes and Admin. Cost	0.00	
Liquid Asset Needs	115,967.31	
Net Value Transferred	1,365,478.94	
Value Transferred to Surviving Spouse is =		\$ 765,478.94
Life Estate Transferred to Surviving Spouse is =		\$ 600,000.00
<u>Estate 2 (Wife's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	2,230,426.00	2,230,426.00
Deductions		
Administrative	110,116.31	110,116.31
Funeral Expenses	2,500.00	2,500.00
Debt	25,600.00	25,600.00
Adjusted Gross Estate	2,092,209.94	2,092,209.94
Marital Deduction	0.00	0.00
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	2,102,210.00	2,032,210.00
Tentative Estate Tax	830,882.88	106,239.10
State Death Tax Credit	106,239.10	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	531,843.76	106,239.12
Total Taxes and Admin. Cost	638,082.90	
Liquid Asset Needs	776,299.19	
Net Value Transferred	1,454,127.06	
Total Taxes for both deaths	\$638,082.88	
The First Spouse's Taxes Without Minimization =		\$ 579,391.14
The First Spouse's Taxes With Minimization =		\$ 0.00



Now change Mrs. Smith's life expectancy, DA(15), from the table's value to 10. Notice the amount of taxes for both deaths has increased from \$645,106.63 to \$816,060.31. This increase in costs is due to the spouse with the smaller estate dying first, and therefore full advantage not being taken of the marital deduction.

## SAMPLE PROBLEM: SPOUSE WITH SMALLER ESTATE DIES FIRST

The current year is 1983.

Estate 1 is the wife's estate and Estate 2 is the husband's estate.

The age of the person in Estate 1 is 58.

The age of the person in Estate 2 is 60.

	<u>Market Value of Gross Estate</u>	<u>Total Debt</u>	<u>Funeral Expense</u>	<u>Administrative Expense</u>
1.	218,825.00	25,600.00	2,500.00	13,299.12
2.	1,061,325.00	41,600.00	2,500.00	129,233.12

	<u>Expected Lifetime (years)</u>	<u>Estate Growth Rate (%/yr.)</u>	<u>Year of Death</u>
1.	10.00	3.00	1993
2.	17.20	5.00	2000

## -----Proportion of Estate 1 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
0.48	0.00	0.52	0.00	0.00

## -----Dollar Amount of Estate 1 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
121,288.00	0.00	131,395.40	0.00	0.00

## -----Proportion of Estate 2 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
0.14	0.00	0.86	0.00	0.00

## -----Dollar Amount of Estate 2 Going to-----

<u>Spouse Outright</u>	<u>Spouse Life Estate</u>	<u>Children Outright</u>	<u>Charitable Deductions</u>	<u>Other Bequests</u>
343,760.10	0.00	2,111,669.00	0.00	0.00

## FEDERAL AND STATE TAX RESULTS

The age of the surviving spouse is 70.

<u>Estate 1 (Wife's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	294,082.48	294,082.48
Deductions		
Administrative	13,299.12	13,299.12
Funeral Expenses	2,500.00	2,500.00
Debt	25,600.00	25,600.00
Adjusted Gross Estate	252,683.36	252,683.36
Marital Deduction	121,288.01	121,288.01
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	141,395.40	75,395.35
Tentative Estate Tax	36,218.60	251.16
State Death Tax Credit	251.16	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	0.00	0.00
Total Taxes	0.00	
Liquid Asset Needs	41,399.12	
Net Value Transferred	252,683.36	
Value Transferred to Surviving Spouse is =		\$ 121,288.01
Life Estate Transferred to Surviving Spouse is =		\$ 0.00
<u>Estate 2 (Husband's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	2,628,762.42	2,628,762.42
Deductions		
Administrative	129,233.12	129,233.12
Funeral Expenses	2,500.00	2,500.00
Debt	41,600.00	41,600.00
Adjusted Gross Estate	2,455,429.30	2,455,429.30
Marital Deduction	0.00	0.00
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	2,465,429.00	2,395,429.30
Tentative Estate Tax	1,008,860.33	135,234.40
State Death Tax Credit	135,234.40	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	680,825.99	135,234.40
Total Taxes	816,060.30	
Liquid Asset Needs	989,393.44	
Net Value Transferred	1,639,368.98	
Total Taxes for both deaths	\$816,060.31	

## FEDERAL AND STATE TAX MINIMIZATION RESULTS

<u>Estate 1 (Wife's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	860,207.20	860,207.20
Deductions		
Administrative	41,605.36	41,605.36
Funeral Expenses	2,500.00	2,500.00
Debt	25,600.00	25,600.00
Adjusted Gross Estate	790,501.89	790,501.89
Marital Deduction	190,501.89	190,501.89
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	610,000.00	540,000.00
Tentative Estate Tax	196,500.00	14,000.00
State Death Tax Credit	14,000.00	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	0.00	0.00
 Total Taxes	 0.00	
Liquid Asset Needs	69,705.36	
Net Value Transferred	790,501.89	

Value Transferred to Surviving Spouse is = \$ 190,501.89  
Life Estate Transferred to Surviving Spouse is = \$ 600,000.00

<u>Estate 2 (Husband's Estate)</u>	<u>\$ FEDERAL</u>	<u>\$ STATE</u>
Gross Estate	1,752,130.00	1,752,130.00
Deductions		
Administrative	85,401.49	85,401.49
Funeral Expenses	2,500.00	2,500.00
Debt	41,600.00	41,600.00
Adjusted Gross Estate	1,622,628.26	1,622,628.26
Marital Deduction	0.00	0.00
Charitable Deductions	0.00	0.00
Lifetime Taxable Gifts	10,000.00	
Taxable Estate	1,632,628.25	1,562,628.00
Tentative Estate Tax	615,482.70	72,429.24
State Death Tax Credit	72,429.24	
Gift Tax Credit	0.00	
Unified Tax Credit 1987	192,800.00	
Estate Taxes	350,253.46	72,429.23
 Total Taxes	 422,682.70	
Liquid Asset Needs	552,184.18	
Net Value Transferred	1,199,945.57	

Total Taxes for both deaths \$422,682.69

The First Spouse's Taxes Without Minimization = \$ 0.00  
The First Spouse's Taxes With Minimization = \$ 0.00

## CHAPTER V

### SUMMARY

Estate planning involves more than just the preparation of a will. It involves taking an inventory of the estate, establishing goals and choosing vehicles to carry out these goals, examining how property is held, and establishing and implementing the plan. Since the estate's planning goals and the estate's inventory change over time, the plan should be up-dated regularly. By combining this up-dated estate plan with NETWORTH and VESTAX, an individual or couple will always know precisely what their current financial situation is. Also, a current net worth statement will be useful in keeping up with how much debt is in the estate and in ascertaining repayment ability. This might help keep individuals from incurring more debt than they are financially able to handle, by allowing them to ascertain the effect that the purchase of a new asset will have on the estate's current and future debt load.

The net worth statement along with a current VESTAX printout might be useful when an individual or a couple wishes to borrow money from a financial institution. Being able to show the loan officer a current list of assets and liabilities, along with a projected estate growth rate, estimated estate expenses, and the expected net estate after expenses, will be helpful in several ways. (Use of a conservative growth rate is suggested so as not to over-state the actual growth.)

First, instead of a rough estimate, NETWORTH will provide a more precise calculation of the estate's net worth. Second, repayment

ability can be substantiated by using VESTAX to calculate values of the net estate at different years of death. This will allow the loan officer to see how the loan will be repaid in case something should happen to the borrower(s) before repayment of the loan. Third, it will allow the borrower(s) to provide the loan officer with a set of estimates that include both the amount of the loan (as an asset) and the amount that must be repaid, principal plus interest, (as a debt). In this way the officer may see for himself the expected effect the loan will have on the borrower's net worth, expected liabilities, and net estate.

Other uses for NETWORTH and VESTAX include teaching, both through the classroom and through extension agencies, and applications in law offices. Teaching would make individuals aware of estate planning and its merits, and the time saved by attorneys, by using NETWORTH and VESTAX to calculate their clients' net worth and tax liabilities, would be tremendous.

Estate planning, when done conscientiously and regularly and when done in conjunction with NETWORTH and VESTAX, will help individuals have a better understanding of their financial situation, financial responsibilities and future estate tax liabilities. Being aware of the possibility that problems, such as repayment inability and inappropriate planning for the actual estate growth rate, might arise will hopefully help individuals to be on the look out for them and to therefore avoid them.

CHAPTER VI  
SUGGESTIONS FOR FUTURE RESEARCH

Further revisions that could be made to the VESTAX program include, separating land from the other assets and allowing it to have its own growth rate, and allowing individuals to enter dollar and percentages of the residual amounts for the proportion of the estate left to the surviving spouse outright and in a life estate, children, charitable deductions, and other bequests.

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APPENDIX I - NETWORTH

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10 CLS: CLEAR 1000: PRINT "SUMMARY OF ASSETS & LIABILITIES
PROGRAM": PRINT "CREATED BY LYN M. FANCHER": PRINT "ON JULY
5, 1983"
20 'WIDTH"LPT1:" ,120:LPRINT CHR$(27);CHR$(28)
30 'THE # SIGN AFTER EACH VARIABLE IS TO ASSURE DOUBLE
PRECISION
40 DIM BA#(4),C#(4),B#(4),S#(4),TI#(4),NR#(4),MR#(4),AR#
(4),T#(4),RE#(4),L#(4),MV#(4),FM#(4),CR#(4),HF#(4),JF
#(4),AC#(4),PE#(4),PI#(4)
50 DIM PD#(4),RD#(4),UN#(4),AP#(4),B$(1),MD#(4),HB#(4),
MA#(4),TA#(4),TL#(4),NW#(4),TR#(4),LN#(4),XGE#(2),TD
#(2),M$(1),Y$(1),IT#(4),D$(1)
60 DEFINT I,J,A
80 Z$=" ###,###,###"
100 PRINT:PRINT:REM MENU
110 PRINT"MENU SELECTIONS":PRINT
120 PRINT"1 ENTER DATA"
130 PRINT"2 VIEW DATA"
140 PRINT"3 CHANGE DATA"
150 PRINT"4 RUN ANALYSIS"
160 PRINT"5 VIEW RESULTS"
170 PRINT"6 PRINT RESULTS"
172 PRINT"7 SAVE CURRENT DATA"
175 PRINT"8 READ OLD DATA"
180 PRINT"9 END PROGRAM"
185 PRINT:INPUT"WHICH NUMBER WOULD YOU LIKE TO DO ?";I
190 IF I<1 OR I>9 THEN GOTO 100
200 ON I GOTO 1000,2000,3000,4000,5000,6000,8500,9000,7000
1000 CLS:PRINT:PRINT"ENTER DATA":PRINT:PRINT
1010 PRINT"PLEASE ANSWER THE FOLLOWING QUESTIONS.":PRINT
1012 CLS:INPUT"WHAT IS TODAYS DATE ? (PLEASE ENTER IN THIS
FORM --/--/--)";D$
1015 CLS:PRINT:PRINT"WHEN ANSWERING THESE QUESTIONS, PLEASE
ENTER THE ANSWERS IN THE FOLLOWING":PRINT "MANNER _____,
_____,_____ EVEN IF THE ANSWER IS 0."
1017 PRINT:PRINT"ASSETS:":PRINT
1020 PRINT:PRINT"WHAT IS THE TOTAL AMOUNT OF ALL CASH HELD
BY;HUSBAND, WIFE, JOINTLY ?":INPUT C$(1),C$(2),C$(3)
1030 CLS:PRINT:PRINT"WHAT IS THE TOTAL AMOUNT IN ALL CHEC-
KING & SAVINGS ACCOUNT HELD BY; HUSBAND, WIFE, JOINTLY
?":INPUT BA$(1),BA$(2),BA$(3)
1040 CLS:PRINT:PRINT"WHAT IS THE REMAINING AMOUNT DUE ON
ALL NOTES-RECEIVABLE HELD BY; HUSBAND, WIFE, JOINTLY?":
INPUT NR$(1),NR$(2),NR$(3)
1050 CLS:PRINT:PRINT"WHAT IS THE REMAINING AMOUNT DUE ON
ALL MORTGAGES-RECEIVABLE HELD BY;HUSBAND,WIFE,JOINTLY ?"
:INPUT MR$(1),MR$(2),MR$(3)

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1060 CLS:PRINT:PRINT"WHAT IS THE REMAINING AMOUNT DUE ON ALL ACCOUNTS-RECEIVABLE HELD BY; HUSBAND, WIFE, JOINTLY ?": INPUT AR#(1),AR#(2),AR#(3)

1070 CLS:PRINT:PRINT"WHAT IS THE VALUE OF ANY TRUSTS ESTABLISHED BY YOU OR THAT HAVE YOU AS THE ULTIMATE BENEFICIARY ?":INPUT T#(1),T#(2),T#(3)

1080 CLS:PRINT:PRINT"WHAT IS THE CURRENT VALUE OF ALL BONDS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT B#(1),B#(2), B#(3)

1090 CLS:PRINT:PRINT"WHAT IS THE CURRENT VALUE OF ALL STOCKS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT S#(1),S#(2), S#(3)

1100 CLS:PRINT:PRINT"WHAT IS THE TOTAL AMOUNT OF ALL CLOSELY HELD BUSINESS INTERESTS HELD BY; HUSBAND, WIFE, JOINTLY ?":INPUT HB#(1),HB#(2),HB#(3)

1110 CLS:PRINT:PRINT"WHAT IS THE CURRENT VALUE OF ALL REAL ESTATE OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT RE#(1), RE#(2),RE#(3)

1120 CLS:PRINT:PRINT"WHAT IS THE CURRENT MARKET VALUE OF ALL LIVESTOCK HELD BY; HUSBAND, WIFE, JOINTLY ?":INPUT L#(1), L#(2),L#(3)

1130 CLS:PRINT:PRINT"WHAT IS THE CURRENT MARKET VALUE OF ALL FARM MACHINERY HELD BY; HUSBAND, WIFE, JOINTLY ?":INPUT FM#(1),FM#(2),FM#(3)

1140 CLS:PRINT:PRINT"WHAT IS THE CURRENT MARKET VALUE OF ALL CROPS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT CR#(1), CR#(2),CR#(3)

1150 CLS:PRINT:PRINT"WHAT IS THE FACE VALUE OF ALL TAXABLE LIFE INSURANCE OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT TI#(1),TI#(2),TI#(3)

1160 CLS:PRINT:PRINT"WHAT IS THE CURRENT MARKET VALUE OF ALL MOTOR VEHICLES OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT MV#(1),MV#(2),MV#(3)

1180 CLS:PRINT:PRINT"WHAT IS THE TOTAL VALUE OF ALL HOME FURNISHINGS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT HF#(1),HF#(2),HF#(3)

1190 CLS:PRINT:PRINT"WHAT IS THE TOTAL VALUE OF ALL JEWELS AND FURS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT JF#(1),JF#(2),JF#(3)

1200 CLS:PRINT:PRINT"WHAT IS THE TOTAL VALUE OF ALL ART COLLECTIONS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT AC#(1),AC#(2),AC#(3)

1210 CLS:PRINT:PRINT"WHAT IS THE TOTAL VALUE OF ALL PERSONAL EFFECTS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT PE#(1), PE#(2),PE#(3)

1220 CLS:PRINT:PRINT"WHAT IS THE TOTAL VALUE OF ALL OTHER PERSONAL PROPERTY ITEMS OWNED BY; HUSBAND, WIFE, JOINTLY ?":INPUT PI#(1),PI#(2),PI#(3)

1225 CLS:PRINT:PRINT"WHAT IS THE TOTAL VALUE OF ALL MISCELLANEOUS ASSETS HELD BY; HUSBAND, WIFE, JOINTLY ?":INPUT

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MA#(1),MA#(2),MA#(3)
1230 CLS:PRINT"LIABILITIES:":PRINT:PRINT
1240 PRINT"WHAT IS THE REMAINING AMOUNT DUE ON ALL PERSONAL
PROPERTY (OTHER PERSONAL OBLIGATIONS) OWNED BY; HUSBAND,
WIFE, JOINTLY ?":INPUT PD#(1),PD#(2),PD#(3)
1250 CLS:PRINT:PRINT"WHAT IS THE REMAINING AMOUNT DUE ON
ALL MORTGAGES AND OTHER REAL ESTATE DEBTS HELD BY;
HUSBAND, WIFE, JOINTLY ?":INPUT RD#(1),RD#(2),RD#(3)
1260 CLS:PRINT:PRINT"WHAT IS THE REMAINING AMOUNT DUE ON ALL
UNSECURED NOTES OR INSTALLMENTS HELD BY; HUSBAND, WIFE,
JOINTLY ?":INPUT UN#(1),UN#(2),UN#(3)
1270 CLS:PRINT:PRINT"WHAT IS THE REMAINING AMOUNT DUE ON ALL
ACCOUNTS PAYABLE OWNED BY; HUSBAND, WIFE, JOINTLY ?":
INPUT AP#(1),AP#(2),AP#(3)
1280 CLS:PRINT:PRINT"WHAT IS THE TOTAL AMOUNT OF ALL LIENS
AGAINST PROPERTY HELD BY; HUSBAND, WIFE, JOINTLY ?":
INPUT LN#(1),LN#(2),LN#(3)
1290 CLS:PRINT:PRINT"WHAT IS THE TOTAL AMOUNT OF ALL OTHER
MISCELLANEOUS DEBTS OWED BY; HUSBAND, WIFE, JOINTLY ?"
:INPUT MD#(1),MD#(2),MD#(3):PRINT
1500 CLS:PRINT:INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:
CLS:GOTO 100
2000 CLS:PRINT:PRINT"VIEW DATA":PRINT
2010 PRINT"
ESTATE SUMMARY":
PRINT"ASSETS :":PRINT TAB(34)"HUSBAND
WIFE
JOINTLY"
2020 PRINT"CASH";:PRINT TAB(31) USING Z$;C#(1);C#(2);C#(3)
2030 PRINT"CHECKING & SAVINGS ACCOUNTS";:PRINT TAB(31)USING
Z$;BA#(1);BA#(2);BA#(3)
2040 PRINT"AMOUNT DUE:NOTES-RECEIVABLE";:PRINT TAB(31) USING
Z$;NR#(1);NR#(2);NR#(3)
2050 PRINT"AMOUNT DUE:MORTGAGES-REC.";:PRINT TAB(31) USING
Z$;MR#(1);MR#(2);MR#(3)
2060 PRINT"AMOUNT DUE:ACCOUNTS-RECEIVABLE";:PRINT TAB(31)
USING Z$;AR#(1);AR#(2);AR#(3)
2070 PRINT"TRUSTS:ULTIMATE BENEFICIARY";:PRINT TAB(31) USING
Z$;T#(1);T#(2);T#(3)
2080 PRINT"CURRENT VALUE OF BONDS";:PRINT TAB(31) USING Z$;
B#(1);B#(2);B#(3)
2090 PRINT"CURRENT VALUE OF STOCKS";:PRINT TAB(31) USING Z$
;S#(1);S#(2);S#(3)
2100 PRINT"CLOSELY HELD BUS. INTERESTS";:PRINT TAB(31)
USING Z$;HB#(1),HB#(2),HB#(3)
2110 PRINT"CURRENT VALUE OF REAL ESTATE";:PRINT TAB(31)
USING Z$;RE#(1);RE#(2);RE#(3)
2120 PRINT"MARKET VALUE OF LIVESTOCK";:PRINT TAB(31) USING
Z$;L#(1);L#(2);L#(3)
2130 PRINT"VALUE OF FARM MACHINERY";:PRINT TAB(31) USING Z$
;FM#(1);FM#(2);FM#(3)
2140 PRINT"CURRENT VALUE OF CROPS";:PRINT TAB(31) USING Z$;

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CR#(1);CR#(2);CR#(3)
2150 PRINT"TAXABLE LIFE INSURANCE";:PRINT TAB(31) USING Z$;
TI#(1);TI#(2);TI#(3)
2160 PRINT"VALUE OF MOTOR VEHICLES";:PRINT TAB(31) USING Z
$;MV#(1);MV#(2);MV#(3)
2180 PRINT"VALUE OF HOME FURNISHINGS";:PRINT TAB(31) USING
Z$;HF#(1);HF#(2);HF#(3)
2190 PRINT"VALUE OF JEWELS AND FURS";:PRINT TAB(31) USING
Z$;JF#(1);JF#(2);JF#(3)
2200 PRINT"VALUE OF ART COLLECTIONS";:PRINT TAB(31) USING
Z$;AC#(1);AC#(2);AC#(3)
2210 PRINT"VALUE OF PERSONAL EFFECTS";:PRINT TAB(31) USING
Z$;PE#(1);PE#(2);PE#(3)
2220 PRINT"OTHER PERSONAL PROPERTY";:PRINT TAB(31) USING
Z$;PI#(1);PI#(2);PI#(3)
2225 PRINT"MISCELLANEOUS ASSETS";:PRINT TAB(31) USING Z$;MA
#(1);MA#(2);MA#(3)
2230 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:CLS:PRINT:
PRINT"LIABILITIES:"
2235 PRINT TAB(34)"HUSBAND      WIFE      JOINTLY"
2240 PRINT"AMOUNT DUE:PERSONAL PROPERTY";:PRINT TAB(31)
USING Z$;PD#(1);PD#(2);PD#(3)
2250 PRINT"AMOUNT DUE:REAL ESTATE";:PRINT TAB(31) USING Z$
;RD#(1);RD#(2);RD#(3)
2260 PRINT"AMOUNT DUE:UNSECURED NOTES";:PRINT TAB(31) USING
Z$;UN#(1);UN#(2);UN#(3)
2270 PRINT"AMOUNT DUE:ACCOUNTS PAYABLE";:PRINT TAB(31) USING
Z$;AP#(1);AP#(2);AP#(3)
2280 PRINT"LIENS AGAINST PROPERTY";:PRINT TAB(31) USING Z$;
LN#(1);LN#(2);LN#(3)
2290 PRINT"MISCELLANEOUS DEBTS";:PRINT TAB(31) USING Z$;MD#
(1);MD#(2);MD#(3)
2500 PRINT:PRINT:INPUT"PRESS THE RETURN KEY TO CONTINUE";B$
:CLS:GOTO 100
3000 CLS:PRINT:PRINT"CHANGE DATA":PRINT
3010 PRINT"WHICH PIECE OF DATA WOULD YOU LIKE TO CHANGE ?";
:GOSUB 10200:M$=Y$:GOSUB 11000
3020 PRINT:INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:CLS:
GOTO 100
4000 CLS:PRINT:PRINT"RUN ANALYSIS":PRINT:PRINT
4010 PRINT"PLEASE WAIT.I AM PERFORMING THE NECESSARY CAL-
CULATIONS..."
4020 FOR J=1 TO 3
4030 BA#(4)=BA#(4)+BA#(J):FM#(4)=FM#(4)+FM#(J):CR#(4)=CR#
(4)+CR#(J):LN#(4)=LN#(4)+LN#(J)
4040 C#(4)=C#(4)+C#(J):T#(4)=T#(4)+T#(J):HF#(4)=HF#(4)+
HF#(J)
4050 B#(4)=B#(4)+B#(J):RE#(4)=RE#(4)+RE#(J):JF#(4)=JF#(4)
+JF#(J)
4060 S#(4)=S#(4)+S#(J):L#(4)=L#(4)+L#(J):AC#(4)=AC#(4)+

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AC#(J)
4070 AR#(4)=AR#(4)+AR#(J):PI#(4)=PI#(4)+PI#(J)
4080 TI#(4)=TI#(4)+TI#(J):MV#(4)=MV#(4)+MV#(J):PE#(4)=
PE#(4)+PE#(J)
4090 NR#(4)=NR#(4)+NR#(J):UN#(4)=UN#(4)+UN#(J):PD#(4)=PD#
(4)+PD#(J)
4100 MR#(4)=MR#(4)+MR#(J):AP#(4)=AP#(4)+AP#(J):RD#(4)=RD#
(4)+RD#(J)
4110 MD#(4)=MD#(4)+MD#(J):HB#(4)=HB#(4)+HB#(J):MA#(4)=MA#
(4)+MA#(J)
4120 NEXT J
4200 FOR J=1 TO 4
4210 IT#(J)=TI#(J)
4220 TR#(J)=NR#(J)+MR#(J)+AR#(J)
4230 PP#(J)=L#(J)+MV#(J)+FM#(J)+CR#(J)+HF#(J)+JF#(J)+AC#(J)
+PE#(J)+PI#(J)+HB#(J)
4240 NEXT J
4250 FOR J=1 TO 4
4255 TA#(J)=C#(J)+BA#(J)+B#(J)+S#(J)+IT#(J)+T#(J)+TR#(J)+
RE#(J)+PP#(J)+MA#(J)
4260 TL#(J)=RD#(J)+LN#(J)+UN#(J)+AP#(J)+PD#(J)+MD#(J)
4262 NEXT J
4265 XGE#(1)=(TA#(1)+.5*TA#(3)):XGE#(2)=(TA#(2)+.5*TA#(3)):
REM ADDING HALF OF THE JOINTLY HELD NET WORTH TO EACH
ESTATE
4267 TD#(1)=TL#(1)+(.5*TL#(3)):TD#(2)=TL#(2)+(.5*TL#(3))
4300 FOR J=1 TO 2:NW#(J)=XGE#(J)-TD#(J):NEXT J
4890 CLS:PRINT:PRINT"I HAVE FINISHED ALL THE NECESSARY
CALCULATIONS.":PRINT
4900 PRINT:INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:CLS
:GOTO 100
5000 CLS:PRINT:PRINT"VIEW RESULTS":PRINT
5010 PRINT"                                ESTATE SUMMARY":
PRINT TAB(34)"HUSBAND          WIFE          JOINTLY
TOTAL":PRINT"ASSETS:"
5020 PRINT"CASH";:PRINT TAB(31) USING Z$;C#(1);C#(2);C#(3)
;C#(4)
5030 PRINT"BANK ACCOUNTS";:PRINT TAB(31) USING Z$;BA#(1);
BA#(2);BA#(3);BA#(4):PRINT"BONDS";:PRINT TAB(31) USING
Z$;B#(1);B#(2);B#(3);B#(4)
5040 PRINT"STOCKS";:PRINT TAB(31) USING Z$;S#(1);S#(2);S#(3)
;S#(4):PRINT"INSURANCE";:PRINT TAB(31) USING Z$;IT#(1)
;IT#(2);IT#(3);IT#(4)
5050 PRINT"TRUSTS";:PRINT TAB(31) USING Z$;T#(1);T#(2);T#(3)
;T#(4):PRINT "RECEIVABLES";:PRINT TAB(31) USING Z$;TR#
(1);TR#(2);TR#(3);TR#(4)
5060 PRINT"REAL ESTATE (assets)";:PRINT TAB(31) USING Z$;RE
#(1);RE#(2);RE#(3);RE#(4):PRINT"PERSONAL PROPERTY";:
PRINT TAB(31) USING Z$;PP#(1);PP#(2);PP#(3);PP#(4)
5070 PRINT"MISC. ASSETS";:PRINT TAB(31) USING Z$;MA#(1);MA#

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(2);MA#(3);MA#(4):PRINT"TOTAL ASSETS";:PRINT TAB(31)
USING Z$;TA#(1);TA#(2);TA#(3);TA#(4)
5074 PRINT:PRINT:INPUT"PRESS THE RETURN KEY TO CONTINUE";
B$:CLS
5075 PRINT TAB(34)"HUSBAND          WIFE          JOINTLY
TOTAL"
5080 PRINT"LIABILITIES:":PRINT"REAL ESTATE (debts)";:PRINT
TAB(31) USING Z$;RD#(1);RD#(2);RD#(3);RD#(4)
5090 PRINT"LIENS";:PRINT TAB(31) USING Z$;LN#(1);LN#(2);LN
#(3);LN#(4):PRINT"UNSECURED NOTES";:PRINT TAB(31)
USING Z$;UN#(1);UN#(2);UN#(3);UN#(4)
5100 PRINT"ACCOUNTS PAYABLE";:PRINT TAB(31) USING Z$;AP#(1)
;AP#(2);AP#(3);AP#(4):PRINT"PERSONAL DEBTS";:PRINT TAB
(31) USING Z$;PD#(1);PD#(2);PD#(3);PD#(4)
5110 PRINT"MISC. LIABILITIES";:PRINT TAB(31) USING Z$;MD#
(1);MD#(2);MD#(3);MD#(4):PRINT"TOTAL LIABILITIES";:
PRINT TAB(31) USING Z$;TL#(1);TL#(2);TL#(3);TL#(4)
5120 PRINT:PRINT"NET WORTH";:PRINT TAB(31) USING Z$;NW#(1)
;NW#(2)
5125 PRINT:PRINT:PRINT"THE MARKET VALUE OF THE HUSBAND'S
GROSS ESTATE IS ";:PRINT XGE#(1):PRINT"THE TOTAL DEBT
IN THE HUSBAND'S ESTATE IS ";:PRINT TD#(1)
5130 PRINT:PRINT"THE MARKET VALUE OF THE WIFE'S GROSS
ESTATE IS ";:PRINT XGE#(2):PRINT"THE TOTAL DEBT IN
THE WIFE'S ESTATE IS ";:PRINT TD#(2)
5900 PRINT:PRINT:PRINT:INPUT"PRESS THE RETURN KEY TO CON-
TINUE";B$:CLS:GOTO 100
6000 CLS:PRINT:PRINT"PLEASE WAIT. I AM PRINTING THE RESULTS
...":PRINT
6005 LPRINT CHR$(12):LPRINT:LPRINT D$:LPRINT:GOSUB 8000:
LPRINT CHR$(12):LPRINT:LPRINT"THE VALUE OF YOUR ESTATE
HAS BEEN CALCULATED AS FOLLOWS...":LPRINT
6010 LPRINT"                                ESTATE SUM-
MARY":LPRINT:LPRINT TAB(34)"HUSBAND          WIFE
JOINTLY          TOTAL":LPRINT"ASSETS  ":LPRINT
6020 LPRINT"CASH";:LPRINT TAB(31) USING Z$;C#(1);C#(2);C#
(3);C#(4)
6030 LPRINT"BANK ACCOUNTS";:LPRINT TAB(31) USING Z$;BA#(1)
;BA#(2);BA#(3);BA#(4):LPRINT"BONDS";:LPRINT TAB(31)
USING Z$;B#(1);B#(2);B#(3);B#(4)
6040 LPRINT"STOCKS";:LPRINT TAB(31) USING Z$;S#(1);S#(2);
S#(3);S#(4):LPRINT"INSURANCE";:LPRINT TAB(31) USING
Z$;IT#(1);IT#(2);IT#(3);IT#(4)
6050 LPRINT"TRUSTS";:LPRINT TAB(31) USING Z$;T#(1);T#(2);
T#(3);T#(4):LPRINT "RECEIVABLES";:LPRINT TAB(31) USING
Z$;TR#(1);TR#(2);TR#(3);TR#(4)
6060 LPRINT"REAL ESTATE (assets)";:LPRINT TAB(31) USING Z$;
RE#(1);RE#(2);RE#(3);RE#(4):LPRINT"PERSONAL PROPERTY"
;:LPRINT TAB(31) USING Z$;PP#(1);PP#(2);PP#(3);PP#(4)
6070 LPRINT"MISC. ASSETS";:LPRINT TAB(31) USING Z$;MA#(1)

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;MA#(2);MA#(3);MA#(4):LPRINT"TOTAL ASSETS";:LPRINT TAB
(31) USING Z$;TA#(1);TA#(2);TA#(3);TA#(4)
6080 LPRINT:LPRINT"LIABILITIES ":":LPRINT:LPRINT"REAL ESTATE
(debts)";:LPRINT TAB(31) USING Z$;RD#(1);RD#(2);RD#(3)
;RD#(4)
6090 LPRINT"LIENS";:LPRINT TAB(31) USING Z$;LN#(1);LN#(2);
LN#(3);LN#(4):LPRINT"UNSECURED NOTES";:LPRINT TAB(31)
USING Z$;UN#(1);UN#(2);UN#(3);UN#(4)
6100 LPRINT"ACCOUNTS PAYABLE";:LPRINT TAB(31) USING Z$;AP#
(1);AP#(2);AP#(3);AP#(4):LPRINT"PERSONAL DEBTS";:
LPRINT TAB(31) USING Z$;PD#(1);PD#(2);PD#(3);PD#(4)
6110 LPRINT"MISC. LIABILITIES";:LPRINT TAB(31) USING Z$;MD#
(1);MD#(2);MD#(3);MD#(4):LPRINT"TOTAL LIABILITIES";:
LPRINT TAB(31) USING Z$;TL#(1);TL#(2);TL#(3);TL#(4)
6120 LPRINT:LPRINT"NET WORTH";:LPRINT TAB(31) USING Z$;NW#
(1);NW#(2);NW#(3);NW#(4)
6125 LPRINT:LPRINT:LPRINT"THE MARKET VALUE OF THE HUSBAND'S
GROSS ESTATE IS ";:LPRINT XGE#(1):LPRINT"THE TOTAL
DEBT IN THE HUSBAND'S ESTATE IS ";:LPRINT TD#(1)
6130 LPRINT:LPRINT"THE MARKET VALUE OF THE WIFE'S GROSS
ESTATE IS ";:LPRINT XGE#(2):LPRINT"THE TOTAL DEBT IN
THE WIFE'S ESTATE IS ";:LPRINT TD#(2)
6190 CLS:PRINT:PRINT"I HAVE COMPLETED THE PRINTING. THANK
YOU FOR WAITING."
6200 PRINT:PRINT:INPUT"PRESS THE RETURN KEY TO CONTINUE";B$
:CLS:GOTO 100
7000 CLS:PRINT:PRINT"THIS IS THE END OF THE PROGRAM":END
8000 LPRINT"THIS IS THE INFORMATION THAT YOU GAVE...":
GAVE...":
8010 LPRINT"
ESTATE INVENTORY":LPRINT"
ASSETS ":":LPRINT TAB(34)"HUSBAND
WIFE
JOINTLY"
8020 LPRINT"CASH";:LPRINT TAB(31) USING Z$;C#(1);C#(2)
;C#(3)
8030 LPRINT"CHECKING & SAVINGS ACCOUNTS";:LPRINT TAB(31)
USING Z$;BA#(1);BA#(2);BA#(3)
8040 LPRINT"AMOUNT DUE:NOTES-RECEIVABLE";:LPRINT TAB(31)
USING Z$;NR#(1);NR#(2);NR#(3)
8050 LPRINT"AMOUNT DUE:MORTGAGES-REC.";:LPRINT TAB(31)
USING Z$;MR#(1);MR#(2);MR#(3)
8060 LPRINT"AMOUNT DUE:ACCOUNTS-RECEIVABLE";:LPRINT TAB(31)
USING Z$;AR#(1);AR#(2);AR#(3)
8070 LPRINT"TRUSTS:ULTIMATE BENEFICIARY";:LPRINT TAB(31)
USING Z$;T#(1);T#(2);T#(3)
8080 LPRINT"CURRENT VALUE OF BONDS";:LPRINT TAB(31) USING
Z$;B#(1);B#(2);B#(3)
8090 LPRINT"CURRENT VALUE OF STOCKS";:LPRINT TAB(31) USING
Z$;S#(1);S#(2);S#(3)
8100 LPRINT"CLOSELY HELD BUS. INTERESTS";:LPRINT TAB(31)
USING Z$;HB#(1),HB#(2),HB#(3)

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8110 LPRINT"CURRENT VALUE OF REAL ESTATE";:LPRINT TAB(31)
      USING Z$;RE#(1);RE#(2);RE#(3)
8120 LPRINT"MARKET VALUE OF LIVESTOCK";:LPRINT TAB(31)
      USING Z$;L#(1);L#(2);L#(3)
8130 LPRINT"VALUE OF FARM MACHINERY";:LPRINT TAB(31)
      USING Z$;FM#(1);FM#(2);FM#(3)
8140 LPRINT"CURRENT VALUE OF CROPS";:LPRINT TAB(31) USING
      Z$;CR#(1);CR#(2);CR#(3)
8150 LPRINT"TAXABLE LIFE INSURANCE";:LPRINT TAB(31) USING
      Z$;TI#(1);TI#(2);TI#(3)
8160 LPRINT"VALUE OF MOTOR VEHICLES";:LPRINT TAB(31) USING
      Z$;MV#(1);MV#(2);MV#(3)
8180 LPRINT"VALUE OF HOME FURNISHINGS";:LPRINT TAB(31)
      USING Z$;HF#(1);HF#(2);HF#(3)
8190 LPRINT"VALUE OF JEWELS AND FURS";:LPRINT TAB(31)
      USING Z$;JF#(1);JF#(2);JF#(3)
8200 LPRINT"VALUE OF ART COLLECTIONS";:LPRINT TAB(31)
      USING Z$;AC#(1);AC#(2);AC#
8210 LPRINT"VALUE OF PERSONAL EFFECTS";:LPRINT TAB(31)
      USING Z$;PE#(1);PE#(2);PE#(3)
8220 LPRINT"OTHER PERSONAL PROPERTY";:LPRINT TAB(31) USING
      Z$;PI#(1);PI#(2);PI#(3)
8225 LPRINT"MISCELLANEOUS ASSETS";:LPRINT TAB(31) USING Z$
      ;MA#(1);MA#(2);MA#(3)
8230 LPRINT:LPRINT"LIABILITIES:"
8235 LPRINT TAB(34)"HUSBAND      WIFE      JOINTLY"
8240 LPRINT"AMOUNT DUE:PERSONAL PROPERTY";:LPRINT TAB(31)
      USING Z$;PD#(1);PD#(2);PD#(3)
8250 LPRINT"AMOUNT DUE:REAL ESTATE";:LPRINT TAB(31) USING
      Z$;RD#(1);RD#(2);RD#(3)
8260 LPRINT"AMOUNT DUE:UNSECURED NOTES";:LPRINT TAB(31)
      USING Z$;UN#(1);UN#(2);UN#(3)
8270 LPRINT"AMOUNT DUE:ACCOUNTS PAYABLE";:LPRINT TAB(31)
      USING Z$;AP#(1);AP#(2);AP#(3)
8280 LPRINT"LIENS AGAINST PROPERTY";:LPRINT TAB(31) USING
      Z$;LN#(1);LN#(2);LN#(3)
8290 LPRINT"MISCELLANEOUS DEBTS";:LPRINT TAB(31) USING Z$
      ;MD#(1);MD#(2);MD#(3)
8300 RETURN
8500 CLS:PRINT"SAVE CURRENT DATA":PRINT:PRINT
8505 INPUT"WHAT NAME DO YOU WISH TO SAVE THIS DATA UNDER "
      ;K$
8510 CLS:PRINT:PRINT"PLEASE WAIT, I AM SAVING THE DATA"
8515 OPEN "O",#2,K$
8520 WRITE #2,D$,C#(1),C#(2),C#(3),C#(4)
8525 WRITE #2,BA#(1),BA#(2),BA#(3),BA#(4)
8530 WRITE #2,B#(1),B#(2),B#(3),B#(4)
8535 WRITE #2,S#(1),S#(2),S#(3),S#(4)
8540 WRITE #2,TI#(1),TI#(2),TI#(3),TI#(4)
8545 WRITE #2,NR#(1),NR#(2),NR#(3),NR#(4)

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8550 WRITE #2,MR#(1),MR#(2),MR#(3),MR#(4)
8555 WRITE #2,AR#(1),AR#(2),AR#(3),AR#(4)
8560 WRITE #2,T#(1),T#(2),T#(3),T#(4)
8565 WRITE #2,RE#(1),RE#(2),RE#(3),RE#(4)
8570 WRITE #2,L#(1),L#(2),L#(3),L#(4)
8575 WRITE #2,MV#(1),MV#(2),MV#(3),MV#(4)
8580 WRITE #2,FM#(1),FM#(2),FM#(3),FM#(4)
8585 WRITE #2,CR#(1),CR#(2),CR#(3),CR#(4)
8590 WRITE #2,HF#(1),HF#(2),HF#(3),HF#(4)
8595 WRITE #2,JF#(1),JF#(2),JF#(3),JF#(4)
8600 WRITE #2,AC#(1),AC#(2),AC#(3),AC#(4)
8605 WRITE #2,PE#(1),PE#(2),PE#(3),PE#(4)
8610 WRITE #2,PI#(1),PI#(2),PI#(3),PI#(4)
8615 WRITE #2,PD#(1),PD#(2),PD#(3),PD#(4)
8620 WRITE #2,RD#(1),RD#(2),RD#(3),RD#(4)
8625 WRITE #2,UN#(1),UN#(2),UN#(3),UN#(4)
8630 WRITE #2,AP#(1),AP#(2),AP#(3),AP#(4)
8635 WRITE #2,MD#(1),MD#(2),MD#(3),MD#(4)
8640 WRITE #2,LN#(1),LN#(2),LN#(3),LN#(4)
8645 WRITE #2,MA#(1),MA#(2),MA#(3),MA#(4)
8650 WRITE #2,HB#(1),HB#(2),HB#(3),HB#(4)
8651 WRITE #2,IT#(1),IT#(2),IT#(3),IT#(4)
8652 WRITE #2,TR#(1),TR#(2),TR#(3),TR#(4)
8653 WRITE #2,PP#(1),PP#(2),PP#(3),PP#(4)
8654 WRITE #2,TA#(1),TA#(2),TA#(3),TA#(4)
8655 WRITE #2,TL#(1),TL#(2),TL#(3),TL#(4)
8656 WRITE #2,TD#(1),TD#(2),NW#(1),NW#(2),XGE#(1),XGE#(2)
8659 CLOSE #2
8660 PRINT:PRINT:PRINT"I HAVE FINISHED SAVING THE CURRENT
DATA ";K$:PRINT
8665 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:CLS:GOTO
100
9000 CLS:PRINT"READ OLD DATA":PRINT:PRINT
9005 INPUT"WHAT IS THE NAME OF THE DATA YOU WOULD LIKE TO
READ ";K$
9010 CLS:PRINT"PLEASE BE PATIENT, I AM READING THE DATA"
9015 OPEN "I",#2,K$
9020 INPUT #2,D$,C#(1),C#(2),C#(3),C#(4)
9025 INPUT #2,BA#(1),BA#(2),BA#(3),BA#(4)
9030 INPUT #2,B#(1),B#(2),B#(3),B#(4)
9035 INPUT #2,S#(1),S#(2),S#(3),S#(4)
9040 INPUT #2,TI#(1),TI#(2),TI#(3),TI#(4)
9045 INPUT #2,NR#(1),NR#(2),NR#(3),NR#(4)
9050 INPUT #2,MR#(1),MR#(2),MR#(3),MR#(4)
9055 INPUT #2,AR#(1),AR#(2),AR#(3),AR#(4)
9060 INPUT #2,T#(1),T#(2),T#(3),T#(4)
9065 INPUT #2,RE#(1),RE#(2),RE#(3),RE#(4)
9070 INPUT #2,L#(1),L#(2),L#(3),L#(4)
9075 INPUT #2,MV#(1),MV#(2),MV#(3),MV#(4)
9080 INPUT #2,FM#(1),FM#(2),FM#(3),FM#(4)
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9085 INPUT #2,CR#(1),CR#(2),CR#(3),CR#(4)
9090 INPUT #2,HF#(1),HF#(2),HF#(3),HF#(4)
9095 INPUT #2,JF#(1),JF#(2),JF#(3),JF#(4)
9100 INPUT #2,AC#(1),AC#(2),AC#(3),AC#(4)
9105 INPUT #2,PE#(1),PE#(2),PE#(3),PE#(4)
9110 INPUT #2,PI#(1),PI#(2),PI#(3),PI#(4)
9115 INPUT #2,PD#(1),PD#(2),PD#(3),PD#(4)
9120 INPUT #2,RD#(1),RD#(2),RD#(3),RD#(4)
9125 INPUT #2,UN#(1),UN#(2),UN#(3),UN#(4)
9130 INPUT #2,AP#(1),AP#(2),AP#(3),AP#(4)
9135 INPUT #2,MD#(1),MD#(2),MD#(3),MD#(4)
9140 INPUT #2,LN#(1),LN#(2),LN#(3),LN#(4)
9145 INPUT #2,MA#(1),MA#(2),MA#(3),MA#(4)
9150 INPUT #2,HB#(1),HB#(2),HB#(3),HB#(4)
9151 INPUT #2,IT#(1),IT#(2),IT#(3),IT#(4)
9152 INPUT #2,TR#(1),TR#(2),TR#(3),TR#(4)
9153 INPUT #2,PP#(1),PP#(2),PP#(3),PP#(4)
9154 INPUT #2,TA#(1),TA#(2),TA#(3),TA#(4)
9155 INPUT #2,TL#(1),TL#(2),TL#(3),TL#(4)
9156 INPUT #2,TD#(1),TD#(2),NW#(1),NW#(2),XGE#(1),XGE#(2)
9159 CLOSE #2
9160 PRINT:PRINT"I HAVE FINISHED READING THE OLD DATA ";
      K$:PRINT
9165 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:CLS:
      GOTO 100
10000 PRINT"ENTER THE CORRECT NUMBER";:GOSUB 10100:RETURN
10100 INPUT X:RETURN
10200 INPUT Y$:RETURN
11000 IF M$="C#(1)" THEN GOSUB 10000:C#(1)=X:RETURN
11010 IF M$="C#(2)" THEN GOSUB 10000:C#(2)=X:RETURN
11020 IF M$="C#(3)" THEN GOSUB 10000:C#(3)=X:RETURN
11030 IF M$="BA#(1)" THEN GOSUB 10000:BA#(1)=X:RETURN
11040 IF M$="BA#(2)" THEN GOSUB 10000:BA#(2)=X:RETURN
11050 IF M$="BA#(3)" THEN GOSUB 10000:BA#(3)=X:RETURN
11060 IF M$="B#(1)" THEN GOSUB 10000:B#(1)=X:RETURN
11070 IF M$="B#(2)" THEN GOSUB 10000:B#(2)=X:RETURN
11080 IF M$="B#(3)" THEN GOSUB 10000:B#(3)=X:RETURN
11090 IF M$="S#(1)" THEN GOSUB 10000:S#(1)=X:RETURN
11100 IF M$="S#(2)" THEN GOSUB 10000:S#(2)=X:RETURN
11110 IF M$="S#(3)" THEN GOSUB 10000:S#(3)=X:RETURN
11120 IF M$="TI#(1)" THEN GOSUB 10000:TI#(1)=X:RETURN
11130 IF M$="TI#(2)" THEN GOSUB 10000:TI#(2)=X:RETURN
11140 IF M$="TI#(3)" THEN GOSUB 10000:TI#(3)=X:RETURN
11180 IF M$="NR#(1)" THEN GOSUB 10000:NR#(1)=X:RETURN
11181 IF M$="NR#(2)" THEN GOSUB 10000:NR#(2)=X:RETURN
11182 IF M$="NR#(3)" THEN GOSUB 10000:NR#(3)=X:RETURN
11190 IF M$="MR#(1)" THEN GOSUB 10000:MR#(1)=X:RETURN
11191 IF M$="MR#(2)" THEN GOSUB 10000:MR#(2)=X:RETURN
11192 IF M$="MR#(3)" THEN GOSUB 10000:MR#(3)=X:RETURN
11200 IF M$="AR#(1)" THEN GOSUB 10000:AR#(1)=X:RETURN

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11201 IF M$="AR#(2)" THEN GOSUB 10000:AR#(2)=X:RETURN
11202 IF M$="AR#(3)" THEN GOSUB 10000:AR#(3)=X:RETURN
11210 IF M$="T#(1)" THEN GOSUB 10000:T#(1)=X:RETURN
11211 IF M$="T#(2)" THEN GOSUB 10000:T#(2)=X:RETURN
11212 IF M$="T#(3)" THEN GOSUB 10000:T#(3)=X:RETURN
11220 IF M$="RE#(1)" THEN GOSUB 10000:RE#(1)=X:RETURN
11221 IF M$="RE#(2)" THEN GOSUB 10000:RE#(2)=X:RETURN
11222 IF M$="RE#(3)" THEN GOSUB 10000:RE#(3)=X:RETURN
11230 IF M$="L#(1)" THEN GOSUB 10000:L#(1)=X:RETURN
11231 IF M$="L#(2)" THEN GOSUB 10000:L#(2)=X:RETURN
11232 IF M$="L#(3)" THEN GOSUB 10000:L#(3)=X:RETURN
11240 IF M$="MV#(1)" THEN GOSUB 10000:MV#(1)=X:RETURN
11241 IF M$="MV#(2)" THEN GOSUB 10000:MV#(2)=X:RETURN
11242 IF M$="MV#(3)" THEN GOSUB 10000:MV#(3)=X:RETURN
11250 IF M$="FM#(1)" THEN GOSUB 10000:FM#(1)=X:RETURN
11251 IF M$="FM#(2)" THEN GOSUB 10000:FM#(2)=X:RETURN
11252 IF M$="FM#(3)" THEN GOSUB 10000:FM#(3)=X:RETURN
11260 IF M$="CR#(1)" THEN GOSUB 10000:CR#(1)=X:RETURN
11261 IF M$="CR#(2)" THEN GOSUB 10000:CR#(2)=X:RETURN
11262 IF M$="CR#(3)" THEN GOSUB 10000:CR#(3)=X:RETURN
11270 IF M$="HF#(1)" THEN GOSUB 10000:HF#(1)=X:RETURN
11271 IF M$="HF#(2)" THEN GOSUB 10000:HF#(2)=X:RETURN
11272 IF M$="HF#(3)" THEN GOSUB 10000:HF#(3)=X:RETURN
11280 IF M$="JF#(1)" THEN GOSUB 10000:JF#(1)=X:RETURN
11281 IF M$="JF#(2)" THEN GOSUB 10000:JF#(2)=X:RETURN
11282 IF M$="JF#(3)" THEN GOSUB 10000:JF#(3)=X:RETURN
11290 IF M$="AC#(1)" THEN GOSUB 10000:AC#(1)=X:RETURN
11291 IF M$="AC#(2)" THEN GOSUB 10000:AC#(2)=X:RETURN
11292 IF M$="AC#(3)" THEN GOSUB 10000:AC#(3)=X:RETURN
11300 IF M$="PE#(1)" THEN GOSUB 10000:PE#(1)=X:RETURN
11301 IF M$="PE#(2)" THEN GOSUB 10000:PE#(2)=X:RETURN
11302 IF M$="PE#(3)" THEN GOSUB 10000:PE#(3)=X:RETURN
11310 IF M$="PI#(1)" THEN GOSUB 10000:PI#(1)=X:RETURN
11311 IF M$="PI#(2)" THEN GOSUB 10000:PI#(2)=X:RETURN
11312 IF M$="PI#(3)" THEN GOSUB 10000:PI#(3)=X:RETURN
11320 IF M$="PD#(1)" THEN GOSUB 10000:PD#(1)=X:RETURN
11321 IF M$="PD#(2)" THEN GOSUB 10000:PD#(2)=X:RETURN
11322 IF M$="PD#(3)" THEN GOSUB 10000:PD#(3)=X:RETURN
11330 IF M$="RD#(1)" THEN GOSUB 10000:RD#(1)=X:RETURN
11331 IF M$="RD#(2)" THEN GOSUB 10000:RD#(2)=X:RETURN
11332 IF M$="RD#(3)" THEN GOSUB 10000:RD#(3)=X:RETURN
11340 IF M$="UN#(1)" THEN GOSUB 10000:UN#(1)=X:RETURN
11341 IF M$="UN#(2)" THEN GOSUB 10000:UN#(2)=X:RETURN
11342 IF M$="UN#(3)" THEN GOSUB 10000:UN#(3)=X:RETURN
11350 IF M$="AP#(1)" THEN GOSUB 10000:AP#(3)=X:RETURN
11351 IF M$="AP#(2)" THEN GOSUB 10000:AP#(2)=X:RETURN
11352 IF M$="AP#(3)" THEN GOSUB 10000:AP#(3)=X:RETURN
11360 IF M$="MD#(1)" THEN GOSUB 10000:MD#(1)=X:RETURN
11361 IF M$="MD#(2)" THEN GOSUB 10000:MD#(2)=X:RETURN
11362 IF M$="MD#(3)" THEN GOSUB 10000:MD#(3)=X:RETURN
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11370 IF M$="LN#(1)" THEN GOSUB 10000:LN#(1)=X:RETURN
11371 IF M$="LN#(2)" THEN GOSUB 10000:LN#(2)=X:RETURN
11372 IF M$="LN#(3)" THEN GOSUB 10000:LN#(3)=X:RETURN
11400 IF M$="MA#(1)" THEN GOSUB 10000:MA#(1)=X:RETURN
11410 IF M$="MA#(2)" THEN GOSUB 10000:MA#(2)=X:RETURN
11420 IF M$="MA#(3)" THEN GOSUB 10000:MA#(3)=X:RETURN
11422 IF M$="HB#(1)" THEN GOSUB 10000:HB#(1)=X:RETURN
11423 IF M$="HB#(2)" THEN GOSUB 10000:HB#(2)=X:RETURN
11425 IF M$="HB#(3)" THEN GOSUB 10000:HB#(3)=X:RETURN
11430 IF M$=" " THEN RETURN
11440 RETURN
15000 BA# = BANK ACCOUNTS
15010 B# = BONDS
15020 C# = CASH
15030 S# = STOCKS
15040 TI# = TAXABLE INSURANCE
15060 NR# = NOTES RECEIVABLE
15070 MR# = MORTGAGES RECEIVABLE
15080 AR# = ACCOUNTS RECEIVABLE
15090 TR# = TOTAL RECEIVABLES
15100 T# = TRUSTS
15110 RE# = REAL ESTATE LIABILITIES
15120 L# = LIVESTOCK
15130 MV# = MOVING VEHICLES
15140 FM# = FARM MACHINERY
15150 CR# = TOTAL CROP INVENTORY
15160 HF# = HOUSEHOLD FURNISHINGS
15170 JF# = JEWELS AND FURS
15180 AC# = ART COLLECTIONS
15190 PE# = PERSONAL EFFECTS
15200 PI# = OTHER PERSONAL EFFECTS
15210 PD# = PERSONAL PROPERTY DEBTS
15220 RD# = MORTGAGES AND REAL ESTATE DEBTS
15230 UN# = UNSECURED NOTES OR INSTALLMENTS
15240 AP# = ACCOUNTS PAYABLE
15250 MD# = MISCELLANEOUS DEBTS
15260 MA# = MISCELLANEOUS ASSETS
15270 LN# = LIENS AGAINST PROPERTY
15280 TA# = TOTAL ASSETS
15290 NW# = NET WORTH
15300 XGE# = GROSS ESTATE (TOTAL ASSETS PLUS HALF OF ALL
JOINTLY HELD ASSETS )
15310 TL# = TOTAL LIABILITIES
15320 TD# = TOTAL LIABILITIES PLUS HALF OF ALL JOINTLY HELD
LIABILITIES

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APPENDIX II - VESTAX

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10 CLS: CLEAR 2000: PRINT "FEDERAL & VIRGINIA ESTATE TAX PRO-
   ": PRINT "CREATED BY LYN M. FANCHER": PRINT "ON JUNE 27,
   1983"
20 'WIDTH"LPT1:" ,120:LPRINT CHR$(27);CHR$(28)
30 DEFINT I,J,K:DEFDBL A,E,F,M,N,O,T,X,D:DIM DA(20),FT(22,
   2),TC(21),TR(21),XGE(2),EE(2),FE(2),TD(2),AJ(2),MR(2),NP
   (2),ST(2),XB(2),TX(2),OX(2),SC(2),GC(2),XA(2),NT(2),CT
   (2),FG(2),F(2),OK(2),CR(7),IL(2),Y$(1)
32 DIM TS(2),CI(2),CD(2),SI(2),VA(2),XI(2),M$(1),OI(2),SX
   (2),AGE(2),FL(85),ML(85),ID(2),TM(2),GE(2),B$(1),SO(2),
   XE(2),CO(2),CH(2),OB(2),Y2$(1),XP(2)
35      Z$="###,###,###,###.##":Z2$="###.###":Z3$="
   ####":Z4$="#,###,###,###.##":Z5$="      "
40 DIM BE(2),SD(2),GT(2),XT(2),SE(2),NF(2),AX(2),VT(2)
50 DIM ES(2),EX(7),BX(2),TZ(2),Q(2),TN(2),TE(2),MD(2),AE(2),
   AV(2)
60 PRINT:PRINT"THE COMPUTER IS READING THE DATA. PLEASE BE
   PATIENT.":GOSUB 12080 RUN
100 CLS:PRINT:PRINT:REM MENU
105 PRINT"MENU SELECTIONS":PRINT
110 PRINT"1  ENTER DATA"
120 PRINT"2  VIEW DATA"
130 PRINT"3  CHANGE DATA"
135 PRINT"4  RUN ANALYSIS"
140 PRINT"5  VIEW RESULTS OF ANALYSIS"
145 PRINT"6  VIEW FEDERAL ESTATE TAX MINIMIZATION"
150 PRINT"7  PRINT ESTATE SUMMARY & BEQUEST TABLES"
160 PRINT"8  PRINT FEDERAL & STATE ESTATE TAX RESULTS"
165 PRINT"9  PRINT FEDERAL ESTATE TAX MINIMIZATION"
166 PRINT"10 SAVE CURRENT DATA"
167 PRINT"11 READ OLD DATA"
168 PRINT"12 END PROGRAM"
170 PRINT:PRINT
180 INPUT"WHICH NUMBER WOULD YOU LIKE TO DO ?":I
190 IF I<1 OR I>12 THEN GOTO 100:REM ERROR TRAPPING
200 ON I GOTO 1000,2000,2096,4020,3000,9000,4000,5000,8000,
   8200,8500,6000
1000 CLS:PRINT"ENTER DATA":PRINT:PRINT
1005 INPUT"PLEASE TYPE IN A NAME FOR THIS PROBLEM";A$:PRINT
   :PRINT
1010 CLS:PRINT"PLEASE ANSWER THE FOLLOWING QUESTIONS":PRINT
1015 CLS:INPUT"PLEASE ENTER TODAY'S DATE (--/--/--).";D$
1017 CLS:PRINT:PRINT"WHAT IS THE CURRENT YEAR ":INPUT TY
   :PRINT
1020 CLS:INPUT"WOULD YOU LIKE TO PLAN ONE ESTATE (ENTER 1)
   OR TWO ESTATES - HUSBAND'S & WIFE'S (ENTER 2)";JCT:
   K1=1:PRINT

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1028 FOR J= 1 TO JCT:IF J=2 THEN K1=11
1030 CLS:PRINT"IS THE PERSON FOR WHOM ESTATE ";J;" IS BEING
      PLANNED A MALE (ENTER 1) OR A FEMALE (ENTER 2)":INPUT
      SX(J)
1032 IF SX(J)<1 OR SX(J)>2 THEN PRINT"SEX MUST BE MALE (1)
      OR FEMALE (2). PLEASE RE-ENTER THIS INFORMATION.":
      INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 1030
1033 CLS:PRINT"WHAT IS THE PRESENT AGE (IN YEARS) OF THE
      PERSON IN ESTATE ";J:INPUT AGE(J):PRINT
1034 GOSUB 10700:CLS:PRINT:PRINT"WHAT IS THE EXPECTED LIFE-
      TIME (IN YEARS) OF ESTATE ";J;" ?":INPUT DA(K1+4):
      PRINT
1035 CLS:PRINT"WHAT IS THE MARKET VALUE OF ESTATE ";J:
      INPUT DA(K1)
1040 CLS:PRINT:PRINT"WHAT ARE THE TOTAL DEBTS IN ESTATE";J
      :INPUT DA(K1+1)
1050 CLS:PRINT:PRINT"WHAT ARE THE FUNERAL EXPENSES ASSOCI-
      ATED WITH ESTATE ";J:INPUT DA(K1+2)
1060 CLS:PRINT:PRINT"WHAT ARE THE ADMINISTRATIVE EXPENSES
      FOR ESTATE ";J;" YOU MAY ENTER A DOLLAR VALUE, A PER-
      CENT (0.##) OR ZERO.":INPUT DA(K1+3)
1110 CLS:PRINT"WHAT IS THE EXPECTED PERCENT PER YEAR (%/YR)
      GROWTH RATE OF ESTATE ";J:INPUT DA(K1+5)
1170 IF SO(J)+CO(J)+CH(J)+XE(J)+OB(J)>1.01 THEN PRINT "THE
      BEQUESTS OF ESTATE ";J;" EXCEED 1.0. PLEASE RE-ENTER
      YOUR INFORMATION.":IF SO(J)+XE(J)+CH(J)+CO(J)+OB(J)>
      1.01 THEN INPUT"PRESS THE RETURN KEY TO CONTINUE";B$
1175 CLS:PRINT:PRINT"WHAT PROPORTION OF ESTATE ";J;" WILL
      GO TO THE SURVIVING SPOUSE OUTRIGHT (ENTER THIS VALUE
      IN THE FORM 0.____)":INPUT SO(J):PRINT
1180 CLS:PRINT"WHAT PROPORTION OF ESTATE ";J;" WILL GO TO
      THE SURVIVING SPOUSE IN A LIFE ESTATE":INPUT XE(J):
      PRINT
1190 CLS:PRINT"WHAT PROPORTION OF ESTATE ";J;" WILL GO TO
      THE CHILDREN" :INPUT CO(J)
1200 CLS:PRINT:PRINT"WHAT PROPORTION OF ESTATE ";J;" WILL
      GO TO CHARITABLE DEDUCTIONS ":INPUT CH(J):PRINT
1202 CLS:PRINT"WHAT PROPORTION OF ESTATE ";J;" WILL GO TO
      OTHER BEQUESTS ":INPUT OB(J):PRINT
1205 IF SO(J)+CO(J)+CH(J)+XE(J)+OB(J)>1.01 THEN GOTO 1170
1207 REM ENSURING THAT BEQUESTS DON'T EXCEED 100% OF THE
      ESTATE
1210 CLS:PRINT"WHAT IS THE TOTAL AMOUNT OF TAXABLE GIFTS
      GIVEN DURING THE LIFETIME OF ESTATE ";J:INPUT FG(J)
1220 CLS:PRINT:PRINT"WHAT IS THE TOTAL AMOUNT OF ALL FED-
      ERAL GIFT TAXES PAID IN ESTATE ";J:INPUT GC(J):PRINT:
      PRINT
1245 IF DA(K1+4)<=0 THEN GOSUB 10405:REM THE USERS WANT TO
      USE THE MORTALITY TABLE INSTEAD OF INPUTTING NUMBERS
      THEMSELVES.

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1247 GOSUB 10600
1250 NEXT J
1270 CLS:INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO
100
2000 CLS:PRINT"VIEW DATA":PRINT:PRINT
2010 PRINT"HERE IS THE INFORMATION YOU GAVE.":PRINT:PRINT
2020 PRINT"          MARKET VALUE OF:          TOTAL          :
FUNERAL      :      ADMINISTRATIVE      :
2025 PRINT"          GROSS ESTATE      :      DEBT          :
EXPENSE      :      EXPENSE              :
2030 PRINT"ESTATE1:";:PRINT USING Z$;DA(1);DA(2);DA(3);DA
(4):IF JCT > 1 THEN PRINT"ESTATE2:";:PRINT USING Z$;
DA(11);DA(12);DA(13);DA(14):PRINT
2040 PRINT"          EXPECTED LIFETIME (YEARS):  ESTATE
GROWTH RATE (%/YR)  :
2050 PRINT"ESTATE 1  :";:PRINT USING Z$;DA(5);:PRINT USING
Z$;DA(6):IF JCT > 1 THEN PRINT"ESTATE 2  :";:PRINT US-
ING Z$;DA(15);DA(16):PRINT:PRINT
2055 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:CLS
2060 FOR J=1 TO JCT:PRINT:PRINT
2070 PRINT TAB(18);"-----PROPORTION OF ESTATE ";J;"GOING
TO-----":PRINT TAB(12);"S P O U S E
CHILDREN:      CHARITABLE:      OTHER:";PRINT TAB(8)
"OUTRIGHT:    LIFE ESTATE:      OUTRIGHT:      DEDUC-
TIONS:      BEQUESTS:"
2080 PRINT USING Z4$;SO(J);XE(J);CO(J);CH(J);OB(J)
2085 NEXT J
2090 PRINT:PRINT
2095 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
2096 CLS:PRINT"CHANGE DATA":PRINT:PRINT
2150 PRINT"WHICH PIECE OF DATA WOULD YOU LIKE TO CHANGE ?";:
GOSUB 10200:M$=Y$:GOSUB 11000
2170 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
3000 CLS:PRINT"VIEW RESULTS OF ANALYSIS":PRINT
3030 PRINT A$:PRINT
3032 IF JCT=1 THEN GOTO 3040
3035 IF SX(1)=1 THEN PRINT"ESTATE 1 IS THE HUSBAND'S ESTATE
AND ESTATE 2 IS THE WIFE'S ESTATE.":PRINT
3037 IF SX(1)=2 THEN PRINT"ESTATE 1 IS THE WIFE'S ESTATE AND
ESTATE 2 IS THE HUSBAND'S ESTATE."
3040 PRINT:PRINT "          MARKET VALUE OF:          TOTAL:
FUNERAL:    ADMINISTRATIVE:";PRINT "          GROSS ESTATE:
3050 PRINT:PRINT"1:";:PRINT USING Z$;DA(1);DA(2);DA(3);EE(1):
IF JCT>1 THEN PRINT"2:";:PRINT USING Z$;DA(11);DA(12);
DA(13);EE(2)
3060 PRINT:PRINT:PRINT"          EXPECTED LIFETIME (YEARS): ESTATE
GROWTH RATE (%/YR)  :      EXPECTED YEAR  :"
3065 PRINT"          OF DEATH          :
3070 PRINT:PRINT"1  :      ";:PRINT USING Z$;DA(5);DA(6);:
PRINT USING Z3$;ED(1):IF JCT>1 THEN PRINT"2  :      ";

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:PRINT USING Z$;DA(15);DA(16);:PRINT USING Z3$;ED(2)
3075 PRINT:PRINT:PRINT:INPUT"PRESS THE RETURN KEY TO CON-
TINUE";B$:CLS
3080 FOR J=1 TO JCT
3090 PRINT "          -----PROPORTION OF ESTATE ";J;
"GOING TO-----":PRINT
3095 PRINT TAB(12)"S P O U S E          :          CHILDREN:
CHARITABLE:          OTHER:";"          OUTRIGHT: LIFE
ESTATE:          OUTRIGHT:          DEDUCTIONS:          BEQUESTS:"
3100 PRINT USING Z4$;SO(J);XE(J);CO(J);CH(J);OB(J):PRINT
3102 PRINT:PRINT:PRINT TAB(18);"-----DOLLAR AMOUNT OF ES-
TATE ";J;" GOING TO-----":PRINT
3103 PRINT TAB(12)"S P O U S E          :          CHILDREN: CHARITABLE:
OTHER:";"          OUTRIGHT:          LIFE ESTATE:          OUTRIGHT:
DEDUCTIONS:          BEQUESTS:"
3105 PRINT USING Z4$;SI(J);XI(J);CI(J);CD(J);OI(J)
3110 PRINT
3115 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:CLS
3120 NEXT J
3130 J=1
3140 FOR J=1 TO JCT
3142 IF JCT=2 AND SX(J)=1 THEN PRINT"ESTATE ";J;" (HUSBAND'S
ESTATE)"
3145 IF JCT=2 AND SX(J)=2 THEN PRINT"ESTATE ";J;" (WIFE'S
ESTATE)"
3150 IF JCT=1 THEN PRINT"ESTATE ";J
3160 PRINT TAB(39);"$ FEDERAL          $ STATE":PRINT"GROSS
ESTATE          ";:PRINT TAB(30) USING Z$;XGE(J);XGE(J):
PRINT" DEDUCTIONS"
3170 PRINT" ADMINISTRATIVE";:PRINT TAB(30) USING Z$;EE(J)
;EE(J):PRINT" FUNERAL EXPENSES";:PRINT TAB(30) USING
Z$;FE(J);FE(J):PRINT" DEBT";:PRINT TAB(30) USING Z$
;TD(J);TD(J)
3180 PRINT "ADJUSTED GROSS ESTATE";:PRINT TAB(30) USING Z$;
AJ(J);AJ(J):PRINT"MARITAL DEDUCTION";:PRINT TAB(30)
USING Z$;MR(J);NP(J):PRINT"CHARITABLE DEDUCTIONS";:
PRINT TAB(30) USING Z$;CD(J);CD(J)
3185 PRINT"LIFETIME TAXABLE GIFTS";:PRINT TAB(30) USING Z$;
FG(J)
3190 PRINT"TAXABLE ESTATE";:PRINT TAB(30) USING Z$;ST(J);XB
(J):PRINT"TENTATIVE ESTATE TAX";:PRINT TAB(30) USING
Z$;TX(J);SC(J):PRINT"STATE DEATH TAX CREDIT";:PRINT
TAB(30) USING Z$;SC(J)
3200 PRINT"GIFT TAX CREDIT";:PRINT TAB(30) USING Z$;GC(J):
PRINT"UNIFIED TAX CREDIT";IL(J)+1980;:PRINT TAB(30)
USING Z$;CR(IL(J)):PRINT"ESTATE TAXES";:PRINT TAB(30)
USING Z$;F(J);VA(J)
3210 PRINT" ":PRINT"TOTAL TAXES";:PRINT TAB(30) USING Z$;
CT(J):PRINT "LIQUID ASSET NEEDS";:PRINT TAB(30) USING
Z$;XA(J):PRINT"NET VALUE TRANSFERRED";:PRINT TAB(30)

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USING Z$;NT(J):PRINT
3220 IF JCT=2 AND J=1 THEN PRINT"VALUE TRANSFERRED TO SUR-
VIVING SPOUSE IS = $";:PRINT USING Z$;TS(1)
3225 IF JCT=2 AND J=1 THEN PRINT"LIFE ESTATE TRANSFERRED TO
SURVIVING SPOUSE = $";:PRINT USING Z$;XI(1):INPUT"
PRESS THE RETURN KEY TO CONTINUE";B$:CLS
3230 IF JCT=2 AND J=2 THEN PRINT"TOTAL TAXES FOR BOTH
DEATHS= ";:PRINT USING Z$;TT
3240 NEXT J
3250 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
4000 CLS:PRINT"PRINTING ESTATE SUMMARY & BEQUEST TABLES..."
4001 LPRINT CHR$(12):LPRINT D$:LPRINT A$:LPRINT"THE CURRENT
YEAR IS ";TY:LPRINT
4002 IF JCT=1 THEN GOTO 4004:LPRINT:IF SX(1)=1 THEN LPRINT"
ESTATE 1 IS THE HUSBAND'S ESTATE AND ESTATE 2 IS THE
WIFE'S ESTATE.":LPRINT
4003 IF SX(1)=2 THEN LPRINT"ESTATE 1 IS THE WIFE'S ESTATE
AND ESTATE 2 IS THE HUSBAND'S ESTATE.":LPRINT
4004 LPRINT "THE AGE OF THE PERSON IN ESTATE 1 IS ";AGE(1):
IF JCT>1 THEN LPRINT"THE AGE OF THE PERSON IN ESTATE 2
IS ";AGE(2)
4005 LPRINT:LPRINT " MARKET VALUE OF: TOTAL:
FUNERAL: ADMINISTRATIVE:":LPRINT " GROSS ESTATE:
DEBT: EXPENSE: EXPENSE:":LPRINT
4006 LPRINT"1:":LPRINT USING Z$;DA(1);DA(2);DA(3);EE(1):IF
JCT>1 THEN LPRINT"2:":LPRINT USING Z$;DA(11);DA(12);
DA(13);EE(2)
4007 LPRINT:LPRINT" EXPECTED LIFETIME (YEARS): ESTATE
GROWTH RATE (%/YR): YEAR OF DEATH:"
4008 LPRINT"1 : ";:LPRINT USING Z$;DA(5);DA(6);:LPRINT
USING Z3$;ED(1):IF JCT>1 THEN LPRINT"2 : ";:LPRINT
USING Z$;DA(15);DA(16);:LPRINT USING Z3$;ED(2)
4009 FOR J=1 TO JCT
4010 LPRINT:LPRINT:LPRINT " -----PROPORTION OF
ESTATE ";J;"GOING TO-----":LPRINT
4011 LPRINT TAB(12)"S P O U S E : CHILDREN:
CHARITABLE: OTHER:": " OUTRIGHT:
LIFE ESTATE: OUTRIGHT: DEDUCTIONS: BEQUESTS:"
4013 LPRINT USING Z4$;SO(J);XE(J);CO(J);CH(J);OB(J)
4014 LPRINT:LPRINT:LPRINT TAB(18);"-----DOLLAR AMOUNT OF
ESTATE ";J;" GOING TO-----":LPRINT
4015 LPRINT TAB(12)"S P O U S E : CHILDREN:
CHARITABLE: OTHER:": " OUTRIGHT: LIFE
ESTATE: OUTRIGHT: DEDUCTIONS: BEQUESTS:"
4016 LPRINT USING Z4$;SI(J);XI(J);CI(J);CD(J);OI(J)
4017 LPRINT:LPRINT
4018 NEXT J
4019 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
4020 CLS:PRINT"RUN ANALYSIS":PRINT:PRINT"PLEASE WAIT, I AM
PERFORMING THE NECESSARY CALCULATIONS...":IF JCT=1

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GOTO 4023
4021 SL=DA(15)-DA(5):REM SL>0 ESTATE 1 MATURES FIRST (KI=1)
    SL<0 ESTATE 2 MATURES FIRST (KI=2) MATURE AT THE SAME
    TIME KI=1
4022 IF SL<0 THEN KI=2 ELSE KI=1
4023 IF KI=2 THEN GOSUB 10800:REM SUB 10800 SWITCHES ES-
    TATES SO THE FIRST ESTATE TO MATURE BECOMES ESTATE 1
4024 IF JCT=2 THEN GOSUB 10500:REM SUB 10500 CALCULATES AGE
    OF SURVIVING SPOUSE
4025 FOR J=1 TO JCT:IF J=1 THEN K1=1 ELSE K1=11
4026 SL=0:XGE(J)=0:ID(J)=0:IL(J)=0:TD(J)=0:FE(J)=0:EE(J)=0:
    TS(J)=0:NE(J)=0:XI(J)=0:SI(J)=0:CI(J)=0:CD(J)=0:OI(J)
    =0
4027 AJ(J)=0:SP(J)=0:MR(J)=0:TA(J)=0:ST(J)=0:TX(J)=0:SC(J)
    =0:DYR(J)=0:XB(J)=0:F(J)=0:NP(J)=0:VA(J)=0:CT(J)=0:XA
    (J)=0:NT(J)=0:TT=0:REM CLEAR PREVIOUS PROBLEMS 'CALCU-
    LATIONS
4029 IF JCT=1 THEN GOTO 4050
4045 SL=DA(15)-DA(5):REM THE FIRST ESTATE MUST BE THE FIRST
    TO MATURE
4050 XGE(J)=DA(K1)*(1+DA(K1+5)/100)^DA(K1+4):REM CALCULA-
    TING GROWTH OF ESTATE
4054 IF ED(J) > 1900 THEN ID(J) = ED(J) - 1900:IL(J)=ID(J)-
    80:IF IL(J)>7 THEN IL(J)=7:REM CURRENT TAX LAWS ONLY
    INCLUDE UP TO THE YEAR 1983
4056 IF IL(J)<0 THEN IL(J) = 7:REM THE EXPECTED YEAR OF
    DEATH WAS BEFORE 1900
4060 TD(J)=DA(K1+1):FE(J)=DA(K1+2):EE(J)=DA(K1+3)
4070 IF JCT=2 THEN XGE(J)=XGE(J)+ TS(1)*(1+DA(K1+5)/100)^SL
4080 NE(J)=XGE(J)-TD(J)-FE(J)
4083 IF EE(J) <0 THEN EE(J)=0
4090 IF EE(J) <1 AND EE(J)>0 THEN EE(J)=EE(J)*NE(J):REM
    ADMINISTRATIVE EXPENSES ARE A PERCENTAGE OF THE NET
    ESTATE
4095 IF EE(J)>=1 THEN EE(J)=EE(J):REM A DOLLAR AMOUNT OF
    ADMINISRTATION EXPENSES WAS ENTERED
4100 IF EE(J)=0 THEN EE(J)=NE(J)*.05:REM IF ADMINISTRATIVE
    EXPENSES WERE ENTERED AS ZERO, THEY ARE FIGURED AT 5%
    OF THE NET ESTATE
4110 NE(J)=NE(J)-EE(J)
4112 IF XE(J)<=1 THEN XI(J)=XE(J)*NE(J)
4113 IF SO(J)<=1! THEN SI(J)=SO(J)*NE(J)
4114 IF CO(J)<=1! THEN CI(J)=CO(J)*NE(J)
4115 IF CH(J)<=1! THEN CD(J)=CH(J)*NE(J)
4116 IF OB(J)<=1 THEN OI(J)=OB(J)*NE(J)
4117 REM THE BEQUESTS ARE MADE AS A PERCENT OF THE GROSS
    ESTATE LESS DEBTS AND FUNERAL & ADMINISTRATIVE
    EXPENSES
4118 REM CALCULATING THE MARITAL DEDUCTION
4120 AJ(J)=NE(J):SP(J)=SI(J)

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4140 MR(J)=SP(J):IF JCT=1 THEN MR(J)=0: REM THE MARITAL
      DEDUCTION EQUALS THE AMOUNT LEFT TO THE SURVIVING
      SPOUSE OUTRIGHT
4150 IF JCT=2 THEN MR(2)=0:REM THE SURVIVING SPOUSE DOES
      NOT GET A MARITAL DEDUCTION
4160 REM CALCULATING THE FEDERAL TAXABLE ESTATE (ST)
4170 TA(J)=AJ(J)-(MR(J)+CD(J))
4190 TA(J)=TA(J)+FG(J):ST(J)=TA(J):REM ADD BACK IN THE
      LIFETIME TAXABLE GIFTS GIVEN AND THIS IS THE TAXABLE
      ESTATE
4195 IF ST(J)<0 THEN ST(J)=0:REM IF THE TAXABLE ESTATE IS
      LESS THAN ZERO, THEN IT EQUALS ZERO
4200 IF TA(J)<=0 THEN TX(J)=0:SC(J)=0:GOTO 4510
4210 IF TA(J)>2500000! THEN I=16:GOTO 4240
4220 FOR I=1 TO 16:IF TA(J)<=FT(I+1,1) AND TA(J)>FT(I,1)
      THEN GOTO 4240
4230 NEXT I
4240 K=I-1:TX(J)=0
4245 FOR I=1 TO K:TX(J)=TX(J)+(FT(I+1,1)-FT(I,1))*FT(I,2)*
      .01
4247 NEXT I
4250 TX(J)=TX(J)+(TA(J)-FT(K+1,1))*FT(K+1,2)*.01
4260 DYR(J)=IL(J)+80
4270 IF TA(J)<2500000! THEN GOTO 4420
4280 IF DYR(J)>84 THEN GOTO 4420
4290 IF TA(J)>3000000! THEN GOTO 4310
4300 TX(J)=TX(J)+.03*(TA(J)-2500000!):GOTO 4420
4310 IF DYR(J)=84 THEN GOTO 4410
4320 IF TA(J)>3500000! THEN GOTO 4340
4330 TX(J)=TX(J)+.07*(TA(J)-3000000!)+15000:GOTO 4420
4340 IF DYR(J)=83 THEN GOTO 4400
4350 IF TA(J)<=0 THEN SC(J)=0
4360 IF TA(J)>4000000! THEN GOTO 4390
4370 TX(J)=TX(J)+.11*(TA(J)-3500000!)+50000!
4380 GOTO 4420
4390 TX(J)=TX(J)+.15*(TA(J)-4000000!)+105000!:GOTO 4420
4400 TX(J)=TX(J)+9.999999E-02*(TA(J)-3500000!)+50000!:GOTO
      4420
4410 TX(J)=TX(J)+.05*(TA(J)-3000000!)+15000
4420 TA(J)=TA(J)-FG(J)-60000!:XB(J)=TA(J):IF XB(J)<=0 THEN
      XB(J)=0:REM VA TAXABLE ESTATE = THE ADJUSTED TAXABLE
      ESTATE
4430 IF TA(J)<=0 THEN SC(J)=0
4440 IF TA(J)<=0 THEN GOTO 4510
4445 REM IF THE FEDERAL TAXABLE ESTATE EQUALS ZERO, THEN
      THE STATE DEATH TAX CREIDT EQUALS ZERO
4450 IF TA(J)>10040000# THEN I=21:GOTO 4480
4460 FOR I=1 TO 21:IF TA(J)<TC(I+1) AND TA(J)>TC(I) THEN
      GOTO 4480
4470 NEXT I

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4480 K=I-1:SC(J)=0
4490 FOR I=1 TO K:SC(J)=SC(J)+(TC(I+1)-TC(I))*TR(I)*.01:
      NEXT I
4500 SC(J)=SC(J)+(TA(J)-TC(K+1))*TR(K+1)*.01
4510 F(J)=TX(J)-SC(J)-GC(J)-CR(IL(J))
4520 IF F(J)<0 THEN F(J)=0 AND VA(J)=0:REM IF THE CREDITS
      EXCEED THE FEDERAL ESTATE TAX, THEN THE FEDERAL AND
      STATE TAXES EQUAL ZERO
4530 NP(J)=0
4540 REM CALCULATING THE GROSS VALUE OF THE LIFE ESTATE TO
      THE DECEASED SPOUSE
4560 IF F(J)>0 THEN VA(J)=SC(J)
4690 CT(J)=VA(J)+F(J):XA(J)=EE(J)+CT(J)+FE(J)+TD(J):NT(J)=
      XGE(J)-XA(J):NP(J)=MR(J)
4710 REM CALCULATING TOTAL TAXES AND ADMIN. COSTS FOR BOTH
      DEATHS AND THE VALUE TRANSFERRED TO THE SURVIVING
      SPOUSE
4820 TS(J)=SP(J)
4840 IF ID(J)<80 THEN ID(J)=2000+ID(J) ELSE ID(J)=1900+ID(J)
4850 NEXT J
4851 TT=CT(1)+CT(2)
4852 GOSUB 7000
4855 PRINT:PRINT"I HAVE FINISHED ALL NECESSARY CALCULA-
      TIONS"
4860 PRINT:INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO
      100
5000 CLS:PRINT"PRINTING FEDERAL & STATE RESULTS...":PRINT
      :PRINT:
5005 LPRINT CHR$(12):LPRINT"FEDERAL AND STATE TAX RESULTS"
      :LPRINT
5010 IF JCT=2 THEN LPRINT"THE AGE OF THE SURVIVING SPOUSE
      IS ";JAG:LPRINT
5110 J=1
5140 FOR J=1 TO JCT
5145 IF JCT=1 THEN LPRINT"ESTATE ";J
5146 IF JCT=2 AND SX(J)=1 THEN LPRINT"ESTATE ";J;"(HUSBAND'S
      ESTATE)"
5147 IF JCT=2 AND SX(J)=2 THEN LPRINT"ESTATE ";J;" (WIFE'S
      ESTATE)"
5150 LPRINT TAB(39);"$ FEDERAL $
      STATE":LPRINT"GROSS ESTATE ";:LPRINT TAB(30)
      USING Z$:XGE(J);XGE(J):LPRINT" DEDUCTIONS"
5160 LPRINT" ADMINISTRATIVE":LPRINT TAB(30) USING
      Z$;EE(J);EE(J):LPRINT" FUNERAL EXPENSES":LPRINT
      TAB(30) USING Z$;FE(J);FE(J):LPRINT" DEBT":LPRINT
      TAB(30) Z$;TD(J);TD(J)
5170 LPRINT"ADJUSTED GROSS ESTATE":LPRINT TAB(30) USING
      Z$;AJ(J);AJ(J):LPRINT"MARITAL DEDUCTION":LPRINT TAB
      (30) USING Z$;MR(J);NP(J):LPRINT"CHARITABLE DEDUCTIONS"
      :LPRINT TAB(30) USING Z$;CD(J);CD(J)

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5175 LPRINT"LIFETIME TAXABLE GIFTS";:LPRINT TAB(30) USING Z$
      ;FG(J)
5180 LPRINT"TAXABLE ESTATE";:LPRINT TAB(30) USING Z$;ST(J);
      XB(J):LPRINT"TENTATIVE ESTATE TAX";:LPRINT TAB(30) US-
      ING Z$;TX(J);SC(J):LPRINT"STATE DEATH TAX CREDIT";:
      LPRINT TAB(30) USING Z$;SC(J)
5190 LPRINT"GIFT TAX CREDIT";:LPRINT TAB(30) USING Z$;GC
      (J):LPRINT"UNIFIED TAX CREDIT";IL(J)+1980;:LPRINT TAB
      (30) USING Z$;CR(IL(J)):LPRINT"ESTATE TAXES";:LPRINT
      TAB(30) USING Z$;F(J);VA(J)
5200 LPRINT" ":LPRINT"TOTAL TAXES";:LPRINT TAB(30) USING Z$
      ;CT(J):LPRINT"LIQUID ASSET NEEDS";:LPRINT TAB(30) US-
      ING Z$;XA(J):LPRINT"NET VALUE TRANSFERRED";:LPRINT
      TAB(30) USING Z$;NT(J):LPRINT
5210 IF JCT=2 AND J=1 THEN LPRINT"VALUE TRANSFERRED TO SUR-
      VIVING SPOUSE IS = $";:LPRINT USING Z$;TS(1):
      LPRINT
5215 IF JCT=2 AND J=1 THEN LPRINT"LIFE ESTATE TRANSFERRED
      TO SURVIVING SPOUSE IS = $";:LPRINT USING Z$;XI(1):
      LPRINT
5220 IF JCT=2 AND J=2 THEN LPRINT"TOTAL TAXES FOR BOTH
      DEATHS = ";:LPRINT USING Z$;TT:LPRINT
5225 NEXT J
5230 PRINT:PRINT:PRINT"PRINTING OF THE ANALYSIS IS COM-
      PLETE."
5240 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
      :END
6000 CLS:PRINT:PRINT"THIS IS THE END OF THE ESTATE TAX
      PROGRAM"
6030 END
7000 FOR J=1 TO JCT:IF J=1 THEN K1=1 ELSE K1=11
7005 TE=0:AE(J)=0:ES(J)=0:MD(J)=0:BE(J)=0:TM(J)=0:XT(J)=0
      :SD(J)=0:TZ(J)=0:Q(J)=0:NF(J)=0:AV(J)=0:AX(J)=0:
      GE(J)=0
7006 IF JCT=1 THEN TE=DA(1)
7007 IF JCT=2 THEN TE = DA(1)+DA(11)
7009 IF JCT=1 THEN GE(J)=TE
7010 IF JCT=2 THEN GE(J)=TE/2:REM PUTTING HALF OF THE TOTAL
      OF BOTH THE ADJUSTED GROSS ESTATES INTO EACH SPOUSES '
      ESTATE
7013 GE(J)=GE(J)*(1+DA(K1+5)/100)^DA(K1+4)
7015 IF JCT=2 THEN GE(J)=GE(J)+MD(1)*(1+DA(K1+5)/100)^SL:
      REM IF J=1 THEN MD(1) IS STILL ZERO AT THIS POINT SO
      GE(1) WILL EQUAL GE(1)
7017 AE(J)=GE(J)-FE(J)-TD(J):IF DA(K1+3)<=0 THEN EA(J)=.05
      *AE(J)
7018 IF DA(K1+3)<1 AND DA(K1+3)>0 THEN EA(J)=DA(K1+3)*AE(J)
      :IF DA(K1+3)>=1 THEN EA(J)=DA(K1+3)
7019 AE(J)=AE(J)-EA(J):IF CH(J)<=1 THEN DC(J)=CH(J)*AE(J):
      REM CHARITABLE DEDUCTIONS ARE A PERCENTAGE OF THE NET

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ESTATE (TAXES NOT DEDUCTED)
7020 ES(J)=AE(J)-DC(J)
7021 IF TE <= 600000! THEN GOTO 7025
7022 IF TE <= 1200000! AND TE > 600000! THEN GOTO 7030
7023 IF TE > 1200000! THEN GOTO 7030
7025 MD(J)=ES(J)-EX(IL(J)):REM SETTING THE MARITAL DEDUC-
TION EQUAL TO THE EXCESS OF THE ESTATE OVER THE
ALLOWED EXEMPTION EQUIVALENT
7026 IF MD(J)<0 THEN MD(J)=ES(J):REM THE AMOUNT IS LESS
THAN THE ALLOWED DEDUCTION SO THERE WILL BE NO ESTATE
TAXES
7027 GOTO 7046
7030 IF J=1 THEN XP(J)=EX(IL(J))
7032 IF J=1 THEN MD(J)=ES(J)-XP(J)
7035 IF MD(J)<0 THEN MD(J)=0
7036 GOTO 7046
7046 IF JCT=1 THEN MD(1)=0 AND XP(1)=0:REM A SINGLE PERSON
DOES NOT GET A MARITAL DEDUCTION OR A LIFE ESTATE TO
A SPOUSE
7047 IF JCT=2 AND J=2 THEN MD(2)=0 AND XP(2)=0:REM THE SUR-
VIVING SPOUSE DOES NOT GET A MARITAL DEDUCTION OR A
LIFE ESTATE TO THEIR DECEASED SPOUSE
7050 BE(J)=ES(J)-MD(J):REM SUBTRACT THE MARITAL DEDUCTION TO
GET THE TAXABLE ESTATE
7055 IF BE(J)<0 THEN BE(J)=0
7058 BE(J)=BE(J)+FG(J):TM(J)=BE(J):REM ADD BACK IN THE
LIFETIME TAXABLE GIFTS AND THIS IS THE FEDERAL
TAXABLE ESTATE
7059 IF TM(J)<0 THEN TM(0)=0:REM IF THE TAXABLE ESTATE IS
LESS THAN ZERO, THEN IT EQUALS ZERO
7060 IF BE(J)<=0 THEN XT(J)=0:SD(J)=0:GOTO 7410
7070 IF BE(J)>2500000! THEN I=16:GOTO 7100
7080 FOR I=1 TO 16:IF BE(J)<=FT(I+1,1) AND BE(J)>FT(I,1)
THEN GOTO 7100
7090 NEXT I
7100 K=I-1:XT(J)=0
7110 FOR I=1 TO K:XT(J)=XT(J)+(FT(I+1,1)-FT(I,1))*FT(I,2)
*.01
7120 NEXT I
7130 XT(J)=XT(J)+(BE(J)-FT(K+1,1))*FT(K+1,2)*.01
7150 IF BE(J)<2500000! THEN GOTO 7310
7160 IF DYR(J)>84 THEN GOTO 7310
7170 IF BE(J)>3000000! THEN GOTO 7190
7180 XT(J)=XT(J)+.03*(BE(J)-2500000!):GOTO 7310
7190 IF DYR(J)=84 THEN GOTO 7300
7200 IF BE(J)>3500000! THEN GOTO 7220
7210 XT(J)=XT(J)+.07*(BE(J)-3000000!)+15000:GOTO 7310
7220 IF DYR(J)=83 THEN GOTO 7290
7230 IF BE(J)<=0 THEN SD(J)=0
7240 IF BE(J)>4000000! THEN GOTO 7280

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7250 XT(J)=XT(J)+.11*(BE(J)-3500000!)+50000!
7260 GOTO 7310
7280 XT(J)=XT(J)+.15*(BE(J)-4000000!)+105000!:GOTO 7310
7290 XT(J)=XT(J)+9.999999E-02*(BE(J)-3500000!)+50000!:GOTO
7310
7300 XT(J)=XT(J)+.05*(BE(J)-3000000!)+15000
7310 BE(J)=BE(J)-FG(J)-60000!:BX(J)=BE(J):IF BX(J)<=0 THEN
BX(J)=0:REM VA TAXABLE ESTATE = THE ADJUSTED TAXABLE
ESTATE
7320 IF BE(J)<=0 THEN SD(J)=0
7330 IF BE(J)<=0 THEN GOTO 7410
7340 REM IF THE FEDERAL TAXABLE ESTATE EQUALS ZERO, THEN
THE STATE DEATH TAX CREIDT EQUALS ZERO
7350 IF BE(J)>10040000# THEN I=21:GOTO 7380
7360 FOR I=1 TO 21:IF BE(J)<=TC(I+1) AND BE(J)>TC(I) THEN
GOTO 7380
7370 NEXT I
7380 K=I-1:SD(J)=0
7390 FOR I=1 TO K:SD(J)=SD(J)+(TC(I+1)-TC(I))*TR(I)*.01:
NEXT I
7400 SD(J)=SD(J)+(BE(J)-TC(K+1))*TR(K+1)*.01
7410 NF(J)=XT(J)-SD(J)-GC(J)-CR(IL(J))
7420 IF NF(J)<0 THEN NF(J)=0 AND AV(J)=0:REM IF THE CREDITS
EXCEED THE FEDERAL ESTATE TAX, THEN THE FEDERAL AND
STATE TAXES EQUAL ZERO
7440 REM CALCULATING THE GROSS VALUE OF THE LIFE ESTATE TO
THE DECEASED SPOUSE
7450 IF NF(J)>0 THEN AV(J)=SD(J)
7455 Q(J)=AV(J)+NF(J):AX(J)=Q(J)+EA(J)+FE(J)+TD(J):TN(J)=
GE(J)-AX(J)
7460 NEXT J
7465 TZ=Q(1)+Q(2)
7470 RETURN
8000 CLS:PRINT"PRINTING FEDERAL ESTATE TAX MINIMIZATION..."
8005 LPRINT CHR$(12):LPRINT"FEDERAL AND STATE TAX MINIMIZA-
TION RESULTS":LPRINT
8010 J=1:FOR J=1 TO JCT
8020 IF JCT=1 THEN LPRINT"ESTATE ";J
8025 IF JCT=2 AND SX(J)=1 THEN LPRINT"ESTATE ";J;" (HUS-
BAND 'S ESTATE)"
8027 IF JCT=2 AND SX(J)=2 THEN LPRINT"ESTATE ";J;" (WIFE 'S
ESTATE)"
8028 LPRINT TAB(39);"$ FEDERAL $ STATE":LPRINT"G
ROSS ESTATE ";:LPRINT TAB(30) USING Z$;GE(J);GE(J)
:LPRINT" DEDUCTIONS"
8029 LPRINT" ADMINISTRATIVE";:LPRINT TAB(30) USING Z$;EA
(J);EA(J):LPRINT" FUNERAL EXPENSES";:LPRINT TAB(30)
USING Z$;FE(J);FE(J):LPRINT" DEBT";:LPRINT TAB(30)
USING Z$;TD(J);TD(J)
8030 LPRINT"ADJUSTED GROSS ESTATE";:LPRINT TAB(30) USING Z$

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;AE(J);AE(J):LPRINT"MARITAL DEDUCTION";:LPRINT TAB(30)
USING Z$;MD(J);MD(J):LPRINT"CHARITABLE DEDUCITONS";:
LPRINT TAB(30) USING Z$;DC(J);DC(J)
8035 LPRINT"LIFETIME TAXABLE GIFTS";:LPRINT TAB(30) USING
Z$;FG(J)
8040 LPRINT"TAXABLE ESTATE";:LPRINT TAB(30) USING Z$;TM(J);
BX(J):LPRINT"TENTATIVE ESTATE TAX";:LPRINT TAB(30)
USING Z$;XT(J);SD(J):LPRINT"STATE DEATH TAX CREDIT";:
LPRINT TAB(30) USING Z$;SD(J)
8050 LPRINT"GIFT TAX CREDIT";:LPRINT TAB(30) USING Z$;GC(J)
:LPRINT"UNIFIED TAX CREDIT";IL(J)+1980;:LPRINT TAB(30)
USING Z$;CR(IL(J)):LPRINT"ESTATE TAXES";:LPRINT TAB
(30) USING Z$;NF(J);AV(J)
8070 LPRINT" ":LPRINT"TOTAL TAXES AND ADMIN. COST ";:LPRINT
TAB(30) USING Z$;Q(J):LPRINT"LIQUID ASSET NEEDS";:
LPRINT TAB(30) USING Z$;AX(J):LPRINT"NET VALUE TRANS-
FERRED";:LPRINT TAB(30) USING Z$;TN(J):LPRINT
8080 IF JCT=2 AND J=1 THEN LPRINT"VALUE TRANSFERRED TO
SURVIVING SPOUSE IS = $";:LPRINT USING Z$;MD(1)
:LPRINT
8082 IF JCT=2 AND J=1 THEN LPRINT"LIFE ESTATE TRANSFERRED
TO SURVIVING SPOUSE IS = $";:LPRINT USING Z$;XP(1):
LPRINT
8085 IF JCT=2 AND J=2 THEN LPRINT"TOTAL TAXES FOR BOTH
DEATHS = $";:LPRINT USING Z$;TZ:LPRINT:LPRINT:LPRINT
8087 IF JCT=2 AND J=2 THEN LPRINT"THE FIRST SPOUSE 'S TAXES
WITHOUT MINIMIZATION = $";:LPRINT TAB(55) USING Z$;F
(1)+VA(1):LPRINT
8088 IF JCT=2 AND J=2 THEN LPRINT"THE FIRST SPOUSE 'S TAXES
WITH MINIMIZATION = $";:LPRINT TAB(55) USING Z$;NF(1)
+AV(1):LPRINT
8090 NEXT J
8100 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
8200 CLS:PRINT"SAVE CURRENT DATA":PRINT:PRINT
8205 INPUT"WHAT NAME DO YOU WISH TO SAVE THE DATA UNDER
";K$
8210 PRINT:PRINT:PRINT"PLEASE WAIT I AM SAVING THE DATA"
8215 OPEN "O",#1,K$
8220 WRITE #1,A$,D$,TY,JCT,AGE(1),AGE(2)
8225 WRITE #1,SX(1),SX(2),DA(5),DA(15)
8230 WRITE #1,DA(1),DA(11),DA(2),DA(12),DA(3),DA(13)
8235 WRITE #1,DA(4),DA(14),DA(6),DA(16),SO(1),SO(2)
8245 WRITE #1,XE(1),XE(2),CO(1),CO(2),CH(1),CH(2)
8250 WRITE #1,OB(1),OB(2),FG(1),FG(2),GC(1),GC(1)
8255 WRITE #1,XGE(1),XGE(2),EE(1),EE(2),FE(1),FE(2)
8260 WRITE #1,TD(1),TD(2),AJ(1),AJ(2),MR(1),MR(2)
8265 WRITE #1,NP(1),NP(2),OI(1),OI(2),CI(1),CI(2)
8270 WRITE #1,XI(1),XI(2),CD(1),CD(2),SI(1),SI(2)
8280 WRITE #1,ST(1),ST(2),XB(1),XB(2),ED(1),ED(2)
8285 WRITE #1,TX(1),TX(2),SC(1),SC(1),IL(1),IL(2)

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8290 WRITE #1,CR(1),CR(2),CR(3),CR(4),CR(5),CR(6),CR(7)
8300 WRITE #1,F(1),F(2),VA(1),VA(2),CT(1),CT(2),XA(1),XA(2)
8305 WRITE #1,NT(1),NT(2),TS(1),TS(2),XI(1),XI(2)
8310 WRITE #1,TI(1),TI(2),GE(1),GE(2),EA(1),EA(2)
8315 WRITE #1,AE(1),AE(2),MD(1),MD(2),DC(1),DC(2)
8320 WRITE #1,TM(1),TM(2),BX(1),BX(2),XT(1),XT(2)
8325 WRITE #1,SD(1),SD(2),NF(1),NF(2),AV(1),AV(2)
8330 WRITE #1,Q(1),Q(2),AX(1),AX(2),TN(1),TN(2)
8335 WRITE #1,XP(1),XP(2),TZ(1),TZ(2)
8345 CLOSE #1
8350 PRINT:PRINT"I HAVE FINISHED SAVING THE CURRENT DATA
";K$:PRINT
8355 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
8500 CLS:PRINT"READ OLD DATA":PRINT:PRINT
8505 INPUT"WHAT IS THE NAME OF THE DATA YOU WOULD LIKE TO
READ ";K$
8510 PRINT:PRINT"PLEASE BE PATIENT, I AM READING THE DATA "
8515 OPEN "I",#1,K$
8520 INPUT #1,A$,D$,TY,JCT,AGE(1),AGE(1)
8525 INPUT #1,SX(1),SX(2),DA(5),DA(15)
8530 INPUT #1,DA(1),DA(11),DA(2),DA(12),DA(3),DA(13)
8535 INPUT #1,DA(4),DA(14),DA(6),DA(16),SO(1),SO(2)
8540 INPUT #1,XE(1),XE(2),CO(1),CO(2),CH(1),CH(2)
8545 INPUT #1,OB(1),OB(2),FG(1),FG(2),GC(1),GC(2)
8550 INPUT #1,XGE(1),XGE(2),EE(1),EE(2),FE(1),FE(2)
8555 INPUT #1,TD(1),TD(2),AJ(1),AJ(2),MR(1),MR(2)
8560 INPUT #1,NP(1),NP(2),OI(1),OI(2),CI(1),CI(2)
8565 INPUT #1,XI(1),XI(2),CD(1),CD(2),SI(1),SI(2)
8570 INPUT #1,ST(1),ST(2),XB(1),XB(2),ED(1),ED(2)
8575 INPUT #1,TX(1),TX(2),SC(1),SC(2),IL(1),IL(2)
8580 INPUT #1,CR(1),CR(2),CR(3),CR(4),CR(5),CR(6),CR(7)
8585 INPUT #1,F(1),F(2),VA(1),VA(2),CT(1),CT(2),XA(1),XA(2)
8590 INPUT #1,NT(1),NT(2),TS(1),TS(2),XI(1),XI(2)
8595 INPUT #1,TI(1),TI(2),GE(1),GE(2),EA(1),EA(2)
8600 INPUT #1,AE(1),AE(2),MD(1),MD(2),DC(1),DC(2)
8605 INPUT #1,TM(1),TM(2),BX(1),BX(2),XT(1),XT(2)
8610 INPUT #1,SD(1),SD(2),NF(1),NF(2),AV(1),AV(2)
8615 INPUT #1,Q(1),Q(2),AX(1),AX(2),TN(1),TN(2)
8620 INPUT #1,XP(1),XP(2),TZ(1),TZ(2)
8625 CLOSE #1
8630 PRINT:PRINT"I HAVE FINISHED READING THE OLD DATA
";K$:PRINT
8635 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$:GOTO 100
9000 CLS:PRINT"FEDERAL ESTATE TAX MINIMIZATION":PRINT
9010 J=1:FOR J=1 TO JCT
9020 IF JCT=1 THEN PRINT"ESTATE ";J
9025 IF JCT=2 AND SX(J)=1 THEN PRINT"ESTATE ";J;" (HUS-
BAND'S ESTATE)"
9027 IF JCT=2 AND SX(J)=2 THEN PRINT"ESTATE ";J;" (WIFE'S
ESTATE)"

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9028 PRINT TAB(39);"$ FEDERAL      $ STATE":PRINT"GROSS
ESTATE      ";;PRINT TAB(30) USING Z$;GE(J);GE(J):
PRINT"  DEDUCTIONS"
9029 PRINT"  ADMINISTRATIVE";:PRINT TAB(30) USING Z$;EA(J)
;EA(J):PRINT"  FUNERAL EXPENSES";:PRINT TAB(30) USING
Z$;FE(J);FE(J):PRINT"  DEBT";:PRINT TAB(30) USING Z$
;TD(J);TD(J)
9030 PRINT"ADJUSTED GROSS ESTATE";:PRINT TAB(30) USING Z$;
AE(J);AE(J):PRINT"MARITAL DEDUCTION";:PRINT TAB(30)
USING Z$;MD(J);MD(J):PRINT"CHARITABLE DEDUCITONS";:
PRINT TAB(30) USING Z$;DC(J);DC(J)
9040 PRINT"TAXABLE ESTATE";:PRINT TAB(30) USING Z$;TM(J);
BX(J):PRINT"TENTATIVE ESTATE TAX";:PRINT TAB(30) USING
Z$;XT(J);SD(J):PRINT"STATE DEATH TAX CREDIT";:PRINT
TAB(30) USING Z$;SD(J)
9050 PRINT"GIFT TAX CREDIT";:PRINT TAB(30) USING Z$;GC(J):
PRINT"UNIFIED TAX CREDIT";IL(J)+1980;;PRINT TAB(30)
USING Z$;CR(IL(J)):PRINT"ESTATE TAXES";:PRINT TAB(30)
USING Z$;NF(J);AV(J)
9060 PRINT"LIFETIME TAXABLE GIFTS";:PRINT TAB(30) USING Z$;
FG(J)
9070 PRINT"  ":PRINT"TOTAL TAXES";:PRINT TAB(30) USING Z$;
Q(J):PRINT"LIQUID ASSET NEEDS";:PRINT TAB(30) USING
Z$;AX(J):PRINT"NET VALUE TRANSFERRED";:PRINT TAB(30)
USING Z$;TN(J):PRINT
9071 IF JCT=2 AND J=1 THEN PRINT"VALUE TRANSFERRED TO SUR-
VIVING SPOUSE IS =      $";:PRINT USING Z$;MD(1)
9072 IF JCT=2 AND J=1 THEN PRINT"LIFE ESTATE TRANSFERRED TO
SURVIVING SPOUSE IS = $";:PRINT USING Z$;XP(1)
9073 IF JCT=2 AND J=2 THEN PRINT"TOTAL TAXES FOR BOTH
DEATHS = $";:PRINT USING Z$;TZ
9075 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$;CLS
9080 NEXT J
9085 INPUT"PRESS THE RETURN KEY TO CONTINUE";B$;GOTO 100
10000 PRINT"ENTER THE CORRECT NUMBER";:GOSUB 10100
10010 RETURN
10020 PRINT"ENTER THE CORRECT STATEMENT";:GOSUB 10030
10025 RETURN
10030 INPUT Y2$
10035 RETURN
10099 REM ALLOWS YOU TO ENTER A NUMERICAL VALUE
10100 INPUT X
10110 RETURN
10199 REM ALLOWS YOU TO ENTER A STRING VARIABLE SUCH AS A
NAME
10200 INPUT Y$
10210 RETURN
10299 REM ENSURES THAT THE BEQUESTS DON'T EXCEED THE AMOUNT
OF THE ESTATE
10300 FOR K= 1 TO JCT

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10305 IF SO(K)+XE(K)+CH(K)+CO(K)+OB(K)>1.01 THEN GOTO
10310 ELSE RETURN
10310 PRINT"THE BEQUESTS OF ESTATE ";K;" EXCEED 1.0.
PLEASE RE-ENTER YOUR INFORMATION":GOSUB 11300
10320 NEXT K
10330 RETURN
10405 IF DA(K1+4)<=0 THEN GOTO 10410 ELSE RETURN
10410 IF SX(J)=1 THEN DA(K1+4)=ML(AGE(J))
10420 IF SX(J)=2 THEN DA(K1+4)=FL(AGE(J))
10425 REM IF THE EXPECTED LIFETIME WAS UNKNOWN THEN THE
AVERAGE EXPECTED LIFETIME IS CALCULATED FROM THE
TABLE ACCORDING TO THE SEX AND CURRENT AGE OF THE
INDIVIDUAL
10430 RETURN
10500 JAG=AGE(2)+DA(5)
10505 REM ESTATE ONE MATURES FIRST SO AGE OF SURVIVING
SPOUSE EQUALS CURRENT AGE OF PERSON IN ESTATE TWO
PLUS EXPECTED LIFETIME OF PERSON IN ESTATE ONE
10510 RETURN
10599 REM THE EXPECTED YEAR OF DEATH EQUALS THE CURRENT
YEAR PLUS THE EXPECTED LIFETIME OF THE INDIVIDUAL
10600 ED(J)=TY + DA(K1+4)
10610 RETURN
10700 REM THIS SUBROUTINE ERROR-TRAPS TO PREVENT TYPING
(INPUT) ERRORS. EACH SPOUSE/PERSON MUST BE AT LEAST
15 YEARS OF AGE.
10710 IF AGE(J)>85 THEN AGE(J)=85:REM TO ASSURE THAT THE
AGE DOES NOT EXCEED THE LIMITS OF THE TABLES.
10720 IF AGE(J)<15 THEN PRINT"THE PRESENT AGE OF EACH
PERSON MUST BE AT LEAST 15. PLEASE RE-ENTER THIS
INFORMATION." ELSE RETURN
10730 PRINT"WHAT IS THE PRESENT AGE OF THE PERSON IN ESTATE"
;J:INPUT AGE(J)
10740 RETURN
10800 REM THIS SUBROUTINE IS USED ONLY IF ESTATE TWO
MATURES BEFORE ESTATE ONE.
10805 IT SWITCHES THOSE VALUES IN ESTATE ONE WITH THOSE OF
ESTATE TWO AND VICE-VERSA, RESULTING IN ESTATE ONE
ALWAYS BEING THE FIRST TO MATURE.
10810 H1=0
10820 H1=DA(1):DA(1)=DA(11):DA(11)=H1
10830 H1=DA(2):DA(2)=DA(12):DA(12)=H1
10840 H1=DA(3):DA(3)=DA(13):DA(13)=H1
10850 H1=DA(4):DA(4)=DA(14):DA(14)=H1
10860 H1=DA(5):DA(5)=DA(15):DA(15)=H1
10870 H1=ED(1):ED(1)=ED(2):ED(2)=H1
10880 H1=DA(6):DA(6)=DA(16):DA(16)=H1
10890 H1=SO(1):SO(1)=SO(2):SO(2)=H1
10900 H1=XE(1):XE(1)=XE(2):XE(2)=H1
10910 H1=CO(1):CO(1)=CO(2):CO(2)=H1

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10920 H1=CH(1):CH(1)=CH(2):CH(2)=H1
10930 H1=OB(1):OB(1)=OB(2):OB(2)=H1
10940 H1=FG(1):FG(1)=FG(2):FG(2)=H1
10950 H1=GC(1):GC(1)=GC(2):GC(2)=H1
10960 H1=SX(1):SX(1)=SX(2):SX(2)=H1
10970 H1=AGE(1):AGE(1)=AGE(2):AGE(2)=H1
10980 RETURN
10999 REM THIS SUBROUTINE IS USED WHEN CHANGING PIECES OF
      INFORMATION USING THE CHANGE DATA OPTION
11000 IF M$="JCT" THEN GOSUB 10000:JCT=X:IF JCT=2 THEN GOSUB
      11400:RETURN
11005 IF M$="TY" THEN GOSUB 10000:TY=X:GOSUB 10600:RETURN
11010 IF M$="DA(1)" THEN GOSUB 10000:DA(1)=X:RETURN
11020 IF M$="DA(11)" THEN GOSUB 10000:DA(11)=X:RETURN
11030 IF M$="DA(2)" THEN GOSUB 10000:DA(2)=X:RETURN
11040 IF M$="DA(12)" THEN GOSUB 10000:DA(12)=X:RETURN
11050 IF M$="DA(3)" THEN GOSUB 10000:DA(3)=X:RETURN
11060 IF M$="DA(13)" THEN GOSUB 10000:DA(13)=X:RETURN
11070 IF M$="DA(4)" THEN GOSUB 10000:DA(4)=X:RETURN
11080 IF M$="DA(14)" THEN GOSUB 10000:DA(14)=X:RETURN
11090 IF M$="DA(5)" THEN GOSUB 10000:DA(5)=X:K1=1:J=1:GOSUB
      10405:GOSUB 10600:RETURN
11100 IF M$="DA(15)" THEN GOSUB 10000:DA(15)=X:K1=11:J=2:
      GOSUB 10405:GOSUB 10600:RETURN
11110 IF M$="DA(6)" THEN GOSUB 10000:DA(6)=X:RETURN
11120 IF M$="DA(16)" THEN GOSUB 10000:DA(16)=X:RETURN
11130 IF M$="A$" THEN GOSUB 10020:A$=Y2$:RETURN
11140 IF M$="D$" THEN GOSUB 10020:D$=Y2$:RETURN
11150 IF M$="SO(1)" THEN GOSUB 10000:SO(1)=X:GOSUB
      10300:RETURN
11160 IF M$="SO(2)" THEN GOSUB 10000:SO(2)=X:GOSUB 10300:
      RETURN
11170 IF M$="XE(1)" THEN GOSUB 10000:XE(1)=X:GOSUB 10300:
      RETURN
11180 IF M$="XE(2)" THEN GOSUB 10000:XE(2)=X:GOSUB 10300:
      RETURN
11190 IF M$="CO(1)" THEN GOSUB 10000:CO(1)=X:GOSUB 10300:
      RETURN
11200 IF M$="CO(2)" THEN GOSUB 10000:CO(2)=X:GOSUB 10300:
      RETURN
11210 IF M$="FG(1)" THEN GOSUB 10000:FG(1)=X:GOSUB 10300:
      RETURN
11220 IF M$="FG(2)" THEN GOSUB 10000:FG(2)=X:GOSUB 10300:
      RETURN
11230 IF M$="GC(1)" THEN GOSUB 10000:GC(1)=X:GOSUB 10300:
      RETURN
11240 IF M$="GC(2)" THEN GOSUB 10000:GC(2)=X:GOSUB 10300:
      RETURN
11242 IF M$="OB(1)" THEN GOSUB 10000:OB(1)=X:GOSUB 10300:
      RETURN

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11245 IF M$="OB(2)" THEN GOSUB 10000:OB(2)=X:GOSUB 10300:
RETURN
11250 IF M$="SX(1)" THEN GOSUB 10000:SX(1)=X:RETURN
11255 IF M$="SX(2)" THEN GOSUB 10000:SX(2)=X:RETURN
11260 IF M$="AGE(1)" THEN GOSUB 10000:AGE(1)=X:K1=1:J=1:
INPUT"WHAT IS THE EXPECTED LIFETIME OF ESTATE 1 (IN
YEARS) ?";DA(5):GOSUB 10700:GOSUB 10405:GOSUB 10600:
RETURN
11265 IF M$="AGE(2)" THEN GOSUB 10000:AGE(2)=X:K1=11:J=2:
INPUT"WHAT IS THE EXPECTED LIFETIME (IN YEARS) OF
ESTATE 2 ?";DA(15):GOSUB 10700:GOSUB 10405:GOSUB
10600:RETURN
11270 RETURN
11299 REM THE FOLLOWING SUBROUTINE ALLOWS YOU TO RE-ENTER THE
BEQUEST AMOUNTS IF THEY EXCEED THE AMOUNT OF THE ESTATE
11300 CLS:PRINT"WHAT PROPORTION OF ESTATE ";K;" WILL GO TO
THE SURVIVING SPOUSE OUTRIGHT ? (ENTER THIS VALUE IN
THE FORM 0.____)":INPUT SO(K)
11320 CLS:PRINT"WHAT PROPORTION OF ESTATE ";K;" WILL GO TO
THE SURVIVING SPOUSE IN A LIFE ESTATE ?":INPUT XE(K)
11330 CLS:PRINT"WHAT PROPORTION OF ESTATE ";K;" WILL GO TO
THE CHILDREN ?":INPUT CO(K)
11340 CLS:PRINT:PRINT"WHAT PROPORTION OF ESTATE ";K;" WILL GO
TO CHARITABLE DEDUCTIONS ?":INPUT CH(K):PRINT
11350 CLS:PRINT"WHAT PROPORTION OF ESTATE ";K;" WILL GO TO
OTHER BEQUESTS ?":INPUT OB(K):PRINT
11360 RETURN
11399 REM LINES 11400 THROUGH 11570 ARE THE SUBROUTINES USED
IF JCT IS CHANGED FROM 1 TO 2 USING THE CHANGE DATA
OPTION
11400 CLS:PRINT"IS THE PERSON FOR WHOM ESTATE 2 IS BEING
PLANNED A MALE (ENTER 1) OR A FEMALE (ENTER 2) ?":
INPUT SX(2):PRINT
11410 CLS:PRINT"WHAT IS THE PRESENT AGE (IN YEARS) OF THE
PERSON IN ESTATE 2 ?":INPUT AGE(2):PRINT
11420 GOSUB 10700:CLS:PRINT:PRINT"WHAT IS THE EXPECTED
LIFETIME (IN YEARS) OF ESTATE 2 ?":INPUT DA(15):PRINT
11430 CLS:PRINT"WHAT IS THE MARKET VALUE OF ESTATE 2 ?":
INPUT DA(11)
11440 CLS:PRINT:PRINT"WHAT ARE THE TOTAL DEBTS IN ESTATE 2 ?"
:INPUT DA(12)
11450 CLS:PRINT:PRINT"WHAT ARE THE FUNERAL EXPENSES ASSOC-
IATED WITH ESTATE 2 ?":INPUT DA(13)
11460 CLS:PRINT:PRINT"WHAT ARE THE ADMINISTRATIVE EXPENSES
FOR ESTATE 2. YOU MAY ENTER A DOLLAR VALUE, A PERCENT
(0.##) OR ZERO.":INPUT DA(14)
11470 CLS:PRINT"WHAT IS THE EXPECTED PERCENT PER YEAR (%/YR)
GROWTH RATE OF ESTATE 2 ?":INPUT DA(16)
11480 XP = AMOUNT GOING TO SURVIVING SPOUSE IN A LIFE
ESTATE IN THE MINIMIZATION PROBLEM
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11490 CLS:PRINT"WHAT PROPORTION OF ESTATE 2 WILL GO TO THE
SURVIVING SPOUSE IN A LIFE ESTATE ?":INPUT XE(2):PRINT
11500 CLS:PRINT"WHAT PROPORTION OF ESTATE 2 WILL GO TO THE
CHILDREN ?":INPUT CO(2)
11510 CLS:PRINT:PRINT"WHAT PROPORTION OF ESTATE 2 WILL GO
TO CHARITABLE DEDUCTIONS ?":INPUT CH(2):PRINT
11520 CLS:PRINT"WHAT PROPORTION OF ESTATE 2 WILL GO TO OTHER
BEQUESTS ?":INPUT OB(2):PRINT
11530 IF SO(2)+XE(2)+CO(2)+CH(2)+OB(2)>1.01 THEN PRINT"THE
BEQUESTS OF ESTATE ";2;" EXCEED 1.0. PLEASE RE-ENTER
YOUR INFORMATION." AND GOTO 11480
11540 CLS:PRINT"WHAT IS THE TOTAL AMOUNT OF TAXABLE GIFTS
GIVEN DURING THE LIFETIME OF ESTATE 2 ?":INPUT FG(2)
11550 CLS:PRINT:PRINT"WHAT IS THE TOTAL AMOUNT OF ALL FED-
ERAL GIFT TAXES PAID IN ESTATE 2 ?":INPUT GC(2):
PRINT:PRINT
11560 IF DA(15)<=0 THEN GOSUB 10405:REM THE USERS WANT TO
USE THE MORTALITY TABLE INSTEAD OF INPUTTING NUMBERS
THEMSELVES.
11570 GOSUB 10600
11580 RETURN
12080 FOR I=1 TO 16:FOR J=1 TO 2:READ FT(I,J):NEXT J:NEXT I
12090 DATA 0,18,10000,20,20000,22,40000,24,60000,26,80000,
28,100000,30,150000,32,250000,34,500000,37,750000,39,
1000000,41,1250000,43,1500000,45,2000000,49,2500000,50
12140 FOR I=1 TO 21:READ TC(I):NEXT
12150 DATA 0,40000,90000,140000,240000,440000,640000,840000,
1040000,1540000,2040000,2540000,3040000,3540000,
4040000,5040000,6040000,7040000,8040000,9040000,
10040000
12160 FOR I=1 TO 21:READ TR(I):NEXT
12170 DATA 0,.8,1.6,2.4,3.2,4,4.8,5.6,6.4,7.2,8,8.8,9.6,10.4,
11.2,12,12.8,13.6,14.4,15.2,16
12180 FOR I=1 TO 7:READ CR(I):NEXT
12190 DATA 47000,62800,79300,96300,121800,155800,192800
12200 FOR I=1 TO 7:READ EX(I):NEXT
12210 DATA 175625,225000,275000,325000,400000,500000,600000
12220 FOR I=15 TO 85:READ ML(I):NEXT
12230 DATA 56.6,55.6,54.7,53.8,52.9,52.0,51.1,50.2,49.3,
48.4,47.5,46.5,45.6,44.7,43.8,42.8,41.9,41.0,40.0,
39.1,38.2,37.2,36.3,35.4,34.5,33.6,32.6,31.7,30.8,
29.9,29.1,28.2,27.3,26.5
12235 DATA 25.6,24.8,24.0,23.2,22.4,21.6,20.8,20.1,19.3,
18.6,17.9,17.2,16.5,15.8,15.2,14.6,14.0,13.4,12.8,
12.2,11.6,11.1,10.6,10.1,9.6,9.1,8.6,8.2,7.8,7.4,7.1,
6.7,6.4,6.1,5.8,5.5,5.3
12240 FOR I=15 TO 85:READ FL(I):NEXT
12250 DATA 64.0,63.0,62.0,61.1,60.1,59.1,58.2,57.2,56.2,55.3,
54.3,53.3,52.4,51.4,50.4,49.5,48.5,47.5,46.6,45.6,44.6,
43.7,42.7,41.8,40.8,39.9,38.9,38.0,37.1,36.1,35.2,34.3,
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33.4,32.5  
 12255 DATA 31.6,30.7,29.8,29.0,28.1,27.3,26.4,25.6,24.7,23.9,  
 23.1,22.3,21.5,20.7,19.9,19.2,18.4,17.7,16.9,16.2,15.5,  
 14.8,14.1,13.4,12.7,12.1,11.5,10.9,10.3,9.8,9.3,8.8,  
 8.3,7.9,7.5,7.1,6.7  
 12260 RETURN  
 13000 XE=PROPORTION OF ESTATE GOING TO SURVIVING SPOUSE  
 13010 XGE=GROSS ESTATE  
 13020 FE=FUNERAL EXPENSES  
 13030 ID=YEAR OF DEATH  
 13040 JCT=THE NUMBER OF ESTATES BEING PLANNED  
 13050 IL=YEAR OF DEATH IN TERMS OF 87-THE LAST TWO DIGITS  
 IN THE YEAR OF DEATH  
 13060 SL=THE NUMBER OF YEARS BY WHICH THE SURVIVING SPOUSE  
 OUTLIVES THEIR SPOUSE  
 13070 NE=NET ESTATE  
 13080 EE=ADMINISTRATIVE EXPENSES  
 13090 TD=TOTAL DEBT  
 14010 TS=VALUE TRANSFERRED TO SURVIVING SPOUSE(IN DOLLARS)  
 14020 TT=TOTAL TAXES AND ADMIN. COSTS FOR BOTH DEATHS  
 14030 SO=PROPORTION OF ESTATE GOING TO SURVIVING SPOUSE  
 OUTRIGHT  
 14035 SI=DOLLAR AMOUNT OF ESTATE GOING TO SURVIVING SPOUSE  
 OUTRIGHT  
 14040 XE=PROPORTION OF ESTATE GOING TO SURVIVNG SPOUSE IN  
 A LIFE ESTATE  
 14045 XI=DOLLAR AMOUNT OF ESTATE GOING TO SURVIVNG SPOUSE  
 IN A LIFE ESTATE  
 14050 CH=PROPORTION OF ESTATE GOING TO CHARITABLE CONTRIB-  
 UCTIONS  
 14055 CD=DOLLAR AMOUNT OF ESTATE GOING TO CHARITABLE CON-  
 TRIBUTIONS  
 14060 CO=PROPORTION OF ESTATE GOING TO CHILDREN  
 14065 CI=DOLLAR AMOUNT OF ESTATE GOING TO CHILDREN  
 14067 OB=PROPORTION OF ESTATE GOING TO OTHER BEQUESTS  
 14068 OI=DOLLAR AMOUNT OF ESTATE GOING TO OTHER BEQUESTS  
 14070 AJ=ADJUSTED GROSS ESTATE  
 14080 TA=ST=FEDERAL TAXBLE ESTATE  
 14090 XB=STATE TAXABLE ESTATE  
 14100 FG=LIFETIME TAXABLE GIFTS  
 14110 FT=FEDERAL ESTATE TAX  
 14120 TX=FEDERAL TENTATIVE ESTATE TAX  
 14130 VA=STATE TENTATIVE ESTATE TAX=FINAL STATE TAX  
 14140 DYR=IL+80  
 14150 LT(JAG)=EXPECTED LIFE OF SURVIVING SPOUSE  
 14160 SP=PROPORTION FO ESTATE LEFT TO SPOUSE  
 14170 FP=F=FINAL FEDERAL ESTATE TAXES  
 14180 MR=FEDERAL MARITAL DEDUCTION  
 14190 NP=STATE MARITAL DEDUCTION  
 14200 SC=STATE DEATH CREDIT

14210 GC=GIFT TAX CREDIT  
14220 CR(IL(J))=UNIFIED TAX CREDIT FOR THE YEAR IL(J)  
14230 XA=LIQUID ASSET NEEDS  
14240 NT=NET VALUE TRANSFERRED  
14280 TR(21)=TAX RATE ON TC(21) TABLE AMOUNTS  
14290 TC(21)=CREDIT FOR STATE DEATH TAXES PAID TABLE  
14295 REM THE FOLLOWING VARIABLES ARE USED IN THE FEDERAL  
ESTATE TAX MINIMIZATION PROBLEM  
14300 TE = THE TOTAL OF THE TWO GROSS ESTATES  
14310 AE =  $TE/2$ : HALF OF THE TOTAL OF BOTH GROSS ESTATES  
GOES IN EACH ESTATE  
14320 ES = THE NEW ADJUSTED GROSS ESTATE LESS CHARITABLE  
DEDUCTIONS  
14330 MD = THE MARITAL DEDUCTION FOR THE FEDERAL ESTATE TAX  
MINIMIZATION PROBLEM  
14340 EX = THE UNIFIED CREDIT EXEMPTION EQUIVALENT  
14350 BE = TM = THE FEDERAL TAXABLE ESTATE FOR THE FEDERAL  
ESTATE TAX MINIMIZATION PROBLEM  
14360 XT = THE TENTATIVE ESTATE TAX FOR THE FEDERAL ESTATE  
TAX MINIMIZATION PROBLEM  
14370 SD = THE STATE DEATH TAX CREDIT FOR THE MINIMIZATION  
PROBLEM  
14390 AV = THE STATE ESTATE TAX IN THE MINIMIZATION PROBLEM  
14400 NF = THE FEDERAL ESTATE TAX IN THE MINIMIZATION PROB-  
LEM  
14410 BX = THE STATE TAXABLE ESTATE IN THE MINIMIZATION  
PROBLEM  
14420 TZ = TOTAL TAXES AND ADMINISTRATION COSTS FOR BOTH  
DEATHS IN THE MINIMIZATON PROBLEM  
14430 Q = TOTAL TAXES AND ADMINISTRATION COSTS FOR EACH  
DEATH IN THE MINIMIZATION PROBLEM  
14435 AX = THE LIQUID ASSET NEEDS IN THE MINIMIZATION PROB-  
LEM  
14440 TN = NET VALUE TRANSFERRED IN THE MINIMIZATION PROB-  
LEM  
14445 TY=THE PRESENT YEAR  
14450 GE = THE GROSS ESTATE IN THE MINIMIZATION PROBLEM  
14455 DC = CHARITABLE DEDUCTIONS IN THE MINIMIZATION PROB-  
LEM  
14460 KI = THE INDICATOR AS TO WHICH ESTATE MATURES FIRST  
14465 ED = THE EXPECTED YEAR OF DEATH  
14470 AGE = THE CURRENT AGE OF THE INDIVIDUAL  
14475 EA = ADMINISTRATIVE EXPENSES IN THE MINIMIZATION  
PROBLEM