

Estate Tax Savings for a Married Couple with Living Trusts

James K. Leonard, Attorney
OSBA Board Certified Specialist in Estate Planning, Trust & Probate Law
Wright Law Co. LPA, Dublin, Ohio
(614) 791-9112

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HUSBAND- WIFE COMBINED ESTATE	ESTATE TAX SAVINGS WITH LIVING TRUSTS		
	Ohio	Federal	Total
\$ 338,333	\$ 0	\$ 0	\$ 0
500,000	9,700	0	9,700
750,000	23,700	0	23,700
1,000,000	35,000	0	35,000
1,250,000	41,910	0	41,910
1,500,000	45,556	0	45,556
1,750,000	49,201	0	49,201
2,000,000	52,847	0	52,847
2,500,000	60,138	202,337	262,475
≥ 3,000,000	≥ 67,428	≥ 428,983	≥ 496,411

Comments:

- (1) The federal tax savings are based on the 2006 federal exclusion amount of \$2,000,000. The federal exclusion is scheduled to increase. As this happens, the federal tax savings on larger estates will be smaller than shown. The Ohio exclusion (\$338,333) and tax rate (6% up to \$500,000, and 7% beyond) are not scheduled to change, and therefore the Ohio savings will continue.
- (2) The Ohio savings reflect the use of the leveraged-exclusion amount (LEXA) technique described in my article in the Sept./Oct. 2003 issue of the Probate Law Journal of Ohio. Trusts without this feature will achieve much smaller Ohio savings.