

Question 1

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28. Which of the following statements concerning the federal estate tax charitable deduction is correct?

- (A) In order to be allowed as a charitable deduction, the bequest must first be includible in the donor's gross estate.
- (B) The amount of the deduction is limited to a percentage of the adjusted gross estate.
- (C) For the deduction to be obtained, the bequest must be in the form of an outright gift.
- (D) The amount of the deduction will be increased by the amount of any estate taxes paid from the charitable bequest.

Question 2

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21. Which of the following statements concerning a charitable remainder annuity trust (CRAT) is correct?

- (A) The benefit paid to one or more noncharitable income beneficiaries is a fixed percentage (not less than 5 percent) of the net fair market value of the trust assets as annually revalued.
- (B) The trust may provide that if trust income is insufficient to meet the annual payment, no payment will be made out of principal.
- (C) Additional contributions may be made to a CRAT after the initial payment.
- (D) The remainder interest will be paid to or held for the benefit of a qualified charitable organization either at the death of the last income beneficiary or after a term of years not greater than 20.

Question 3

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100. All the following arrangements can be used to provide an income interest to a noncharitable beneficiary for life with the remainder going to a charitable organization and qualifying for the charitable deduction EXCEPT

- (A) The decedent's donation purchases units in a pooled-income fund.
- (B) The decedent's property is placed in a charitable remainder annuity trust (CRAT).
- (C) The decedent's property is placed in a charitable lead trust.
- (D) The decedent's property is placed in a charitable remainder unitrust (CRUT).

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