

Hypothetical Figures for the Estate of Wallace R. Woodbury, D/D Sep-27-2006

Computation through Jun-27-2014 Extrapolated from figures in the Tax Court opinion		Before Interest Deduction Allowed		
		6166 Election Allowed	6166 Election denied	
1	Taxable estate and section 6166(b)(6) adjusted gross estate	54,539,481.33	54,539,481.33	1
2	Less: Deduction for interrelated interest on Federal estate tax	0.00	0.00	2
3	Taxable estate after interest deduction	54,539,481.33	54,539,481.33	3
4	Net estate tax	24,168,161.41	24,168,161.41	4
5	Estimated non-deferred tax paid on the return due date	(9,500,000.00)	(9,500,000.00)	5
6	Unpaid balance of tax on the return due date	14,668,161.41	14,668,161.41	6
7				7
8	Net estate tax	24,168,161.41	24,168,161.41	8
9	Section 6166(b)(6) adjusted gross estate	54,539,481.33	NA	9
10	Value of the section 6166 business interest	33,946,570.00	NA	10
11	Percentage of tax deferred under section 6166	62.2422%	NA	11
12	Maximum amount of tax eligible for deferral under section 6166	15,042,795.36	NA	12
13				13
14	Estimated non-deferred tax paid on the return due date	(9,500,000.00)	NA	14
15	Actual non-deferred tax on return due date as corrected	9,125,366.05	NA	15
16	Overpayment of non-deferred tax on return due date	(374,633.95)	NA	16
17				17
18	Maximum amount of tax eligible for deferral under section 6166	15,042,795.36	NA	18
19	Overpayment of non-deferred tax on return due date	(374,633.95)	NA	19
20	Total tax actually deferred under section 6166	14,668,161.41	NA	20
21	Portion of tax deferred at 2% interest rate	552,000.00	NA	21
22	Balance of tax deferred at 45% of regular underpayment rates	14,116,161.41	NA	22
23				23
24	Unpaid balance of tax on Jun-27-2014	14,668,161.41	14,668,161.41	24
25	Total interest calculated through Jun-27-2014	2,160,224.07	4,859,959.41	25
26	Less: Interest paid Jun-27-2008	(320,000.00)	(320,000.00)	26
27	Less: Interest paid Jun-01-2010	(392,652.03)	(392,652.03)	27
28	Total tax and interest payable on Jun-27-2014	16,115,733.45	18,815,468.79	28
29	Difference: Net cost of the section 6166 denial on Jun-27-2014		2,699,735.34	29

These figures are extrapolated from two figures in the Tax Court opinion:

- | | | |
|---|----|--------------|
| 1. The non-deferred tax in the section 6166 election statement | \$ | 9,125,366.05 |
| 2. The estate's figure for interest due on the 1st anniversary date | \$ | 481,360.20 |

We assumed the following:

- no marital or charitable deductions
- no adjusted taxable gifts
- no state death tax deduction
- no credits against tax

Hypothetical Figures for the Estate of Wallace R. Woodbury, D/D Sep-27-2006

Computation through Jun-27-2014 Extrapolated from figures in the Tax Court opinion		After Interest Deduction Allowed		
		6166 Election Allowed	6166 Election denied	
1	Taxable estate and section 6166(b)(6) adjusted gross estate	54,539,481.33	54,539,481.33	1
2	Less: Deduction for interrelated interest on Federal estate tax	258,505.26	4,201,811.65	2
3	Taxable estate after interest deduction	54,280,976.07	50,337,669.68	3
4	Net estate tax	24,049,248.99	22,235,328.05	4
5	Estimated non-deferred tax paid on the return due date	(9,500,000.00)	(9,500,000.00)	5
6	Unpaid balance of tax on the return due date	14,549,248.99	12,735,328.05	6
7				7
8	Net estate tax	24,049,248.99	22,235,328.05	8
9	Section 6166(b)(6) adjusted gross estate	54,539,481.33	NA	9
10	Value of the section 6166 business interest	33,946,570.00	NA	10
11	Percentage of tax deferred under section 6166	62.2422%	NA	11
12	Maximum amount of tax eligible for deferral under section 6166	14,968,781.65	NA	12
13				13
14	Estimated non-deferred tax paid on the return due date	(9,500,000.00)	NA	14
15	Recomputed non-deferred tax on return due date	9,080,467.34	NA	15
16	Overpayment of non-deferred tax on return due date	(419,532.66)	NA	16
17				17
18	Maximum amount of tax eligible for deferral under section 6166	14,968,781.65	NA	18
19	Overpayment of non-deferred tax on return due date	(419,532.66)	NA	19
20	Total tax actually deferred under section 6166	14,549,248.99	NA	20
21	Portion of tax deferred at 2% interest rate	552,000.00	NA	21
22	Balance of tax deferred at 45% of regular underpayment rates	13,997,248.99	NA	22
23				23
24	Unpaid balance of tax on Jun-27-2014	14,549,248.99	12,735,328.05	24
25	Total interest calculated through Jun-27-2014	2,141,635.47	4,201,811.65	25
26	Less: Interest paid Jun-27-2008	(320,000.00)	(320,000.00)	26
27	Less: Interest paid Jun-01-2010	(392,652.03)	(392,652.03)	27
28	Total tax and interest payable on Jun-27-2014	15,978,232.43	16,224,487.67	28
29	Difference: Net cost of the section 6166 denial on Jun-27-2014		246,255.24	29

These figures are extrapolated from two figures in the Tax Court opinion:

- | | | |
|---|----|--------------|
| 1. The non-deferred tax in the section 6166 election statement | \$ | 9,125,366.05 |
| 2. The estate's figure for interest due on the 1st anniversary date | \$ | 481,360.20 |

We assumed the following:

- no marital or charitable deductions
- no adjusted taxable gifts
- no state death tax deduction
- no credits against tax