# **DecoupleCruncher**

V2007.02

## *Easy to learn, easy to use, and astoundingly powerful*

**Leimberg & Lackner's DecoupleCruncher** is your solution to the incredibly complex task of crunching the numbers in cases between 2005 and 2009 where your client has property in one or more decoupled (or quasi-decoupled) states, including CT, DC, IL, KS, MA, MD, ME, MN, NC, NE, NJ, NY, OR, RI, VA, VT, WA, and WI.

You can use **DecoupleCruncher** in two ways:

1) As a lifetime planning tool
2) As an aid in preparing your clients' federal and state estate tax returns.

Rather than your having to spend dozens of hours researching the rules and grinding through the math, DecoupleCruncher will do literally hundreds of computations (many of them with interrelated variables) in a matter of seconds.

Created by **Steve Leimberg**, co-author of *NumberCruncher* software which is used by the IRS and **Vince Lackner**, author of the highly popular *6-in-1 for Windows*, **DecoupleCruncher** will get you the answers you need quickly and authoritatively.

**HERE IS A SCREEN-BY-SCREEN DESCRIPTION OF WHAT DECOUPLECRUNCHER CAN DO FOR YOU:**

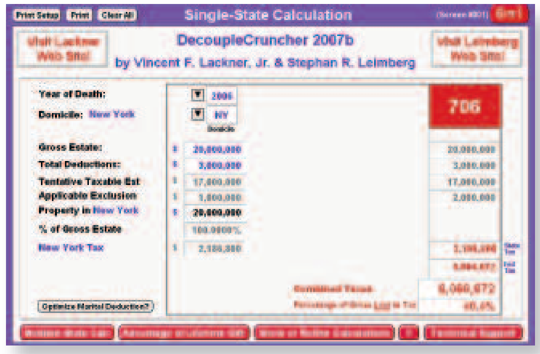
### SCREEN 1 | Single-State Calculations

This screen is designed to do the computations for estates where 100% of the property is located in the decedent's state of domicile. This is the master screen and starting place for all calculations.

This screen automatically computes the client's Tentative Taxable Estate, Applicable State and Federal Exclusions, Federal and State Tax, Combined Tax (total of federal and state), and Percentage of Gross Estate Lost to Tax.

DecoupleCruncher does the interdependent variable calculations in all five states which mandate such calculations: DC, IL, NE, VA, and WI.

This screen also allows you to Navigate to Multiple-State Calculations, Compute the Advantage of Lifetime Gifts, See or Refine the Details of your Calculations, Obtain Help for This Screen, Obtain Technical Support (via e-mail), and Navigate to an Optimal Marital Deduction Screen.




*All screens are clear and easy to navigate!*

### SCREEN 2 | Multiple-State Calculations

This screen is designed to do the computations for estates where the property is located in more than one state, at least one of which is a decoupled state. It will do multiple-state calculations for up to four states.

It can handle the following configurations:

- 4 Decoupled States
- 3 Decoupled States,
- 2 Decoupled States, plus unlimited No-Tax States, plus unlimited Inheritance Tax States

This screen automatically computes the client's Tentative Taxable Estate, Applicable State and Federal Exclusions (for up to four states), Federal and State Tax (for up to four states), Combined Tax (total of federal and state), and Percentage of Gross Estate Lost to Tax.

### SCREEN 3 | Single-State 706 Details

This screen allows you to refine the calculation of the federal estate tax by inputting adjusted taxable gifts, gift taxes paid or payable, and any adjustment to unified credit.

This screen provides all the details necessary to complete Lines 1 through 12 of the 706.

It also illustrates the impact of the state death tax deduction: (a) savings in federal estate tax and (b) net cost of state death tax. This can be useful in helping a client to evaluate the potential tax advantage of moving from one state to another.

### SCREEN 4 | Single-State Death Tax Credit Details

This screen provides a review of the calculations necessary when the decedent was domiciled in one of the decoupled states.

It also allows you to further refine the calculation of the federal estate tax.

DecoupleCruncher performs the appropriate calculations for estates of decedents dying in any year between 2005 and 2009, including the calculation of the state death tax deduction based upon a hypothetical ("phantom") 706.

This screen illustrates all the details necessary to complete Lines 1 through 12 of the 706, and calculates Line 3b of the actual 706, which represents the state death tax for the decedent's state of domicile.

It also illustrates the impact of the state death tax deduction: (a) savings in federal estate tax and (b) net cost of state death tax. This can be useful in helping a client to evaluate the potential tax advantage of moving from one state to another.

*(over)*

**Leimberg & LeClair, Inc.**

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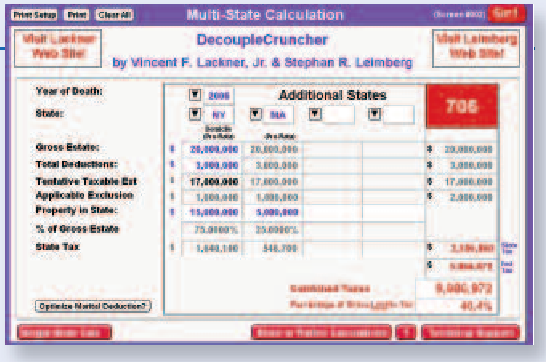


*All screens are clear and easy to navigate!*

### Screen 5 | Multi-State Death Tax Credit Details

This screen provides a review of the calculations necessary when the decedent was domiciled in one of the decoupled states or owned property in one or more of the decoupled states, and allows you to refine the calculation of the federal estate tax.

DecoupleCruncher performs the appropriate calculations for estates of decedents dying in any year between 2005 and 2009, and illustrates all the details necessary to complete Lines 1 through 12 of the 706.

This screen calculates Line 3b of the actual 706, and also breaks down the amount of death tax for each state.

It also illustrates the impact of the state death tax deduction: (a) savings in federal estate tax and (b) net cost of state death tax. This can be useful in helping a client to evaluate the potential tax advantage of moving from one state to another.

### Screen 6 | Multi-State Soak-Up Share of Tax

This screen provides a review of the calculations necessary when the decedent was domiciled in one of the "soak-up" decoupled states (CT, DC, MA, ME/2005, NC, NJ, RI, VA, VT) or owned property in one or more of the decoupled states.

For each decoupled state, this screen will automatically calculate:

1) The Maximum Credit for State Death Taxes based on Table B of the Instructions for Form 706 (2004 and earlier).
2) The Net U.S. Estate Tax based on (a) the Table A Unified Rate Schedule and (b) the Maximum Unified Credit applicable to the particular decoupled state.
3) The tentative State Tax equal to the lesser of #1 or #2.
4) The percent of gross estate located outside of the domiciliary soak-up state
5) The pro rata share of the tentative State Tax allocable to those other states based on the portion of the overall property located in those states.
6) The State Taxes actually paid to those other states.
7) The lesser of #5 or #6.
8) The tax payable to the domiciliary state (#3 above minus #7). Because the estate receives credit only for the lesser of #5 (pro rata share of tax on out-of-state property) or #6 (tax actually paid to the other states), the domiciliary state "soaks up" the tax that is not collected by the other states. This can lead to surprising tax results for estates with significant property in no-tax or low-tax states.

### Screen 007 | Multi-State Pro-Rata Share of Tax

This "killer" screen provides a review of the calculations necessary when the decedent was domiciled in one of "pro-rata" decoupled states (IL, KS, MD, ME/2006 and later, MN, NE, NY, OR, WA, WI) or owned property in one or more of the decoupled states.

For each decoupled state, this screen will automatically calculate:

1) The Maximum Credit for State Death Taxes based on Table B of the Instructions for Form 706 (2004 and earlier).
2) The Net U.S. Estate Tax based on (a) the Table A Unified Rate Schedule and (b) the Maximum Unified Credit applicable to the particular decoupled state.
3) The tentative State Tax equal to the lesser of #1 or #2.
4) The percent of gross estate located in that state
5) The pro-rata share of the tentative State Tax based on the portion of the overall property located in that state.

### Screens 8 through 14 | Provide state-specific details for CT, KS, NE and WA.

### Screen 15 | Advantage of Lifetime Gift

This screen illustrates the sometimes-remarkable advantage of making lifetime gifts (including late-in-life and even "death-bed" gifts). It shows the total tax before and after the lifetime gifts.

### Screen 16 | Optimal Marital Deduction

This screen illustrates the calculations necessary to achieve the "optimal marital deduction", depending on language contained in the governing instruments (Will, Trust, etc.).

It provides you with two choices when calculating this deduction, the Real Federal Tax Method and the Hypothetical Federal Tax Method.

This screen also computes the following:

1) State death tax for one or more states
2) Reduction of gross estate by taxable legacies, federal tax, and state tax, in order to arrive at the net marital deduction. This assumes that the state death tax is paid from the marital trust.
3) The federal tax, state tax, and total tax.

### Screen 17 | Taxes Saved by Paying State Tax from Marital in First Estate

This screen illustrates the total tax savings possible by paying the state death tax from the marital trust instead of from the credit shelter trust, and allows you to choose the source for payment of the state death tax.

It also illustrates the impact of taxable legacies (non-deductible bequests and other transfers).

**Available to download at our web site at**
***http://www.leimberg.com***

## Order Form

## How Do I Get DecoupleCruncher?

**$299.00** *plus PA Sales Tax and S&H*

PA Sales Tax = (6% of price plus $7 Shipping & Handling)

Name ______________________

Address ______________________

City __________ State __________ Zip __________

Phone ______________________

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**Mail Order form and Payment to:**

Leimberg & LeClair, Inc.
144 West Eagle Road, Havertown, PA 19083

**Payment Information**

☐ Enclosed is my check.
Make checks payable to Leimberg & LeClair, Inc.

☐ Charge my credit card
☐ AMEX ☐ MasterCard ☐ VISA

Name on Credit Card ______________________

Credit Card Number __________ Exp. Date __________

Signature ______________________

CID# on Credit Card (4 digits for AMEX, 3 digits for MC & VISA)