



## HOW IS THE QPRT CALCULATED?

While the concept of a QPRT is simple, the decision to create one should not be made without a fairly complex tax calculation to determine the value of the taxable gift which will result. This value is a function of (i) the age of the donor; (ii) the number of years during which the donor will retain the right to occupy the property; (iii) the current appraised value of the property; and (iv) the current IRS actuarial tables and interest rates used to calculate future values.