

**ATTENTION: IMPORTANT TAX INFORMATION!**  
**2006 DISTRIBUTION ALLOCATIONS**  
**Common Shares**

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains and long-term capital gains for the 2006 distributions of the Common Shares of **The Gabelli Equity Trust Inc.**

Please contact Carter Austin at (914) 921-5070 with any inquiries.

<b>\$ PER SHARE</b>					
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
Record Date	03/17/06	06/16/06	09/15/06	12/13/06	
Payment Date	03/27/06	06/26/06	09/25/06	12/18/06	
<b>SOURCE</b>					
Net Investment Income (a)	\$0.0366	\$0.0331	\$0.0349	\$0.0523	\$0.1569
Short-Term Capital Gains (a)	\$0.0136	\$0.0139	\$0.0146	\$0.0219	\$0.0640
Long-Term Capital Gains (b)	\$0.1398	\$0.1430	\$0.1505	\$0.2258	\$0.6591
<b>TOTAL</b>	<b>\$0.1900</b>	<b>\$0.1900</b>	<b>\$0.2000</b>	<b>\$0.3000</b>	<b>\$0.8800</b>

<b>PERCENTAGES</b>					
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>SOURCE</b>					
Net Investment Income (a)	19.2632%	17.4210%	17.4500%	17.4333%	17.8295%
Short-Term Capital Gains (a)	7.1579%	7.3158%	7.3000%	7.3000%	7.2727%
Long-Term Capital Gains (b)	73.5789%	75.2632%	75.2500%	75.2667%	74.8978%
<b>TOTAL</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>

Ordinary Dividends and Capital Gains:

92.41% of the ordinary income (net investment income and short-term capital gains) paid by the Gabelli Equity Trust in 2006 was classified as "Qualified Dividends" subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Ordinary income is reported in box 1a and qualified income is reported in box 1b of Form 1099-DIV. Capital gain distributions are subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Capital gain distributions are reported in box 2a of Form 1099-DIV.

Corporate Dividends Received Deduction and U.S. Government Securities Income:

The percentage of the ordinary income paid by the Gabelli Equity Trust in 2006 that qualifies for the dividends received deduction available to corporations is 100%. The percentage of the ordinary income paid by the Gabelli Equity Trust in 2006 that was derived from U.S. Government Securities was 0.51%. The percentage of U.S. Government Securities held as of December 31, 2006 was 1.29%. (c)

- 
- (a) Distributions from net investment income and short-term capital gains are taxable as ordinary income and will appear on Form 1099-DIV under Total ordinary dividends in box 1a.
  - (b) Taxable as long-term capital gains reportable in column (f), line 13 on Form 1040, Schedule D. Since there were no retained capital gains in 2006, Form 2439 will not be necessary.
  - (c) Certain states require that 50% of the Fund's portfolio be invested in U.S. Government Securities at the end of each calendar quarter to allow "pass-through" treatment of income derived from U.S. Government Securities. The Fund did not meet this strict requirement in 2006.