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# The Gabelli Equity Trust Inc.

CUSIP # 362397408

## ATTENTION: IMPORTANT TAX INFORMATION! 2006 DISTRIBUTION ALLOCATIONS 7.20% Tax Advantaged Cumulative Preferred 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 7.20% Tax Advantaged Series B Cumulative Preferred 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	03/20/06	06/19/06	09/19/06	12/18/06	
	Payment Date	03/27/06	06/26/06	09/26/06	12/26/06	
<b>SOURCE</b>						
	Net Investment Income (a)	\$0.0848	\$0.0784	\$0.0784	\$0.0784	\$0.3200
	Short-Term Capital Gains (a)	\$0.0323	\$0.0329	\$0.0329	\$0.0329	\$0.1310
	Long-Term Capital Gains (b)	\$0.3329	\$0.3387	\$0.3387	\$0.3387	\$1.3490
	<b>TOTAL</b>	<b>\$0.4500</b>	<b>\$0.4500</b>	<b>\$0.4500</b>	<b>\$0.4500</b>	<b>\$1.8000</b>

		<b>PERCENTAGES</b>				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
	Net Investment Income (a)	18.8444%	17.4222%	17.4222%	17.4222%	17.7778%
	Short-Term Capital Gains (a)	7.1778%	7.3111%	7.3111%	7.3111%	7.2778%
	Long-Term Capital Gains (b)	73.9778%	75.2667%	75.2667%	75.2667%	74.9444%
	<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)

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- (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.

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