

The Gabelli Equity Trust Inc.

CUSIP # 362397705

ATTENTION: IMPORTANT TAX INFORMATION!
2006 DISTRIBUTION ALLOCATIONS
5.875% 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 5.875% Series D Cumulative Preferred Shares of **The Gabelli Equity Trust Inc.**

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

		\$ PER SHARE				
		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	
SOURCE						
	Net Investment Income (a)	\$0.0699097	\$0.0640066	\$0.0640066	\$0.0640066	\$0.2619295
	Short-Term Capital Gains (a)	\$0.0263251	\$0.0268478	\$0.0268478	\$0.0268478	\$0.1068685
	Long-Term Capital Gains (b)	\$0.2709527	\$0.2763331	\$0.2763331	\$0.2763331	\$1.0999520
	TOTAL	\$0.3671875	\$0.3671875	\$0.3671875	\$0.3671875	\$1.4687500

		PERCENTAGES				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
SOURCE						
	Net Investment Income (a)	19.0392%	17.4316%	17.4316%	17.4316%	17.8335%
	Short-Term Capital Gains (a)	7.1694%	7.3117%	7.3117%	7.3117%	7.2762%
	Long-Term Capital Gains (b)	73.7914%	75.2567%	75.2567%	75.2567%	74.8903%
	TOTAL	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%

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.