



## PRE-SALE TAX ANALYSIS AND MONEY FLOW PROJECTION™

### TAX PROJECTIONS AND PLANNING BENEFITS COMPARISON

#### Asset Information

#### \$1 Million Stock Sale of a Dental Practice in San Jose, CA

Sale Price	\$1,000,000
Cost of Sale	-\$100,000
<b>Net Sale Proceeds</b>	<b>\$900,000</b>
Original Purchase Price (Basis)	-\$100,000
Capital Improvements	\$0
Depreciation	\$0
Individual Capital Loss Carry Forward	\$0

#### Projected Taxes

INDIVIDUAL	FEDERAL	CA
<b>Taxable Gain</b>	<b>\$800,000</b>	<b>\$800,000</b>
Short Term Capital Gains / Ordinary Income Tax	\$0	\$83,824
Long Term Capital Gains Tax at 20%	\$160,000	\$0
Debt Over Basis Tax	N/A	N/A
Depreciation Recapture - Real Estate (25%)	N/A	N/A
3.80% Net Investment Income Surtax > \$200,000	N/A	N/A
3.80% Net Investment Income Tax on Debt Over Basis	N/A	N/A
<b>TOTAL INDIVIDUAL TAXES</b>	<b>\$160,000</b>	<b>\$83,824</b>

**Total Taxes: \$243,824**

#### Conventional Sale

SALE PROCEEDS	
Net Sale Proceeds	\$900,000
Debt	\$0
Total Taxes	-\$243,824

**Net After-Tax Profit: \$656,176**

#### Alternative Planning

TAX DEFERRAL STRATEGY	
Loan Distribution	\$840,075
Debt	\$0
Taxes	Deferred for 30 Years
Assumed Investment at 6.00% Annual Yield to Meet Tax Obligation at Year 30*	-\$42,452

\*TaxWealth is a tax analysis and solutions research company only and does not recommend individual investments. Please discuss any investments with your independent, 3rd party, investment advisor. This calculation is used for projection purposes only.

**Net Distribution: \$840,075**  
**Increased Distribution Compared to Conventional Sale: \$183,899**  
**Total Available Funds (minus Tax Investment): \$797,623 (21.6%)**

This projection is for illustrative purposes only and is based on information provided by the Seller or by the Seller's advisor and may be subject to change. Further, we respectfully request that all documents pertaining to the sale of this asset are first reviewed by the Seller's own CPA and attorney, and that any decision made by the Seller to implement this or any other planning strategy being considered is based solely on the Seller's own CPA's and attorney's advice.