

PRE-SALE TAX ANALYSIS AND MONEY FLOW PROJECTION™
TAX PROJECTIONS AND PLANNING BENEFITS COMPARISON

Asset Information

	Sale Price	\$2,900,000
	Cost of Sale at 7.0%	-\$203,000
	Net Sale Proceeds	\$2,697,000
Sale of a Personal Residence in Newport Beach, CA	Original Purchase Price (Basis)	-\$1,100,000
	Capital Improvements	-\$173,000
	Depreciation	\$0
	Individual Capital Loss Carry Forward	\$0

Projected Taxes

INDIVIDUAL	FEDERAL	CA
Taxable Gain (After applying \$500,000 Homeowners Exclusion)	\$924,000	\$924,000
Short Term Capital Gains / Ordinary Income Tax	\$0	\$99,076
Long Term Capital Gains Tax at 20%	\$184,800	\$0
Debt Over Basis Tax	N/A	N/A
Depreciation Recapture - Real Estate (25%)	N/A	N/A
3.80% Net Investment Income Surtax > \$250,000	\$25,612	N/A
3.80% Net Investment Income Tax on Debt Over Basis	N/A	N/A
TOTAL INDIVIDUAL TAXES	\$210,412	\$99,076

Total Taxes: \$309,488

Conventional Sale

SALE PROCEEDS	
Net Sale Proceeds	\$2,697,000
Debt	-\$1,200,000
Total Taxes	-\$309,488

Net After-Tax Profit: \$1,187,512

Alternative Planning

TAX DEFERRAL STRATEGY	
Loan Distribution	\$2,521,618
Debt	-\$1,200,000
Taxes	Deferred for 30 Years
Assumed Investment at 6.00% Annual Yield to Meet Tax Obligation at Year 30*	-\$53,885

*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: \$1,321,618

Increased Distribution Compared to Conventional Sale: \$134,106

Total Available Funds (minus Tax Investment): \$1,267,733 (6.8%)