

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

Stock Sale of Service Business Located

| | |
|---------------------------------------|--------------------|
| Sale Price | \$6,400,000 |
| Real Estate Cost of Sale | -\$320,000 |
| Non-Real Estate Cost of Sale | \$0 |
| Net Sale Proceeds | \$6,080,000 |
| Original Purchase Price (Basis) | -\$75,000 |
| Capital Improvements | \$0 |
| Real Estate Depreciation | \$0 |
| Non-Real Estate Depreciation | \$0 |
| Individual Capital Loss Carry Forward | \$0 |

Projected Taxes

| INDIVIDUAL | FEDERAL | CA |
|---|--------------------|--------------------|
| Taxable Gain | \$6,005,000 | \$6,005,000 |
| Short Term Capital Gains / Ordinary Income Tax | \$0 | \$755,784 |
| Long Term Capital Gains Tax at 20% | \$1,201,000 | N/A |
| Debt Over Basis Tax | | |
| Real Estate - Residential | \$0 | \$0 |
| Real Estate - Investment | \$0 | \$0 |
| Asset / Equipment | \$0 | \$0 |
| Inventory | \$0 | \$0 |
| Good Will / Intangibles | \$0 | \$0 |
| Depreciation Recapture Tax | | |
| Real Estate - Investment | \$0 | N/A |
| Asset / Equipment | \$0 | N/A |
| Inventory | \$0 | N/A |
| Good Will / Intangibles | \$0 | N/A |
| Net Investment Tax (3.80% above the \$250,000 Threshold) | | |
| Income Surtax | \$0 | N/A |
| TOTAL INDIVIDUAL TAXES | \$1,201,000 | \$755,784 |

Total Taxes: \$1,956,784

Conventional Sale

| SALE PROCEEDS | |
|-------------------|--------------|
| Net Sale Proceeds | \$6,080,000 |
| Debt | \$0 |
| Total Taxes | -\$1,956,784 |

Net After-Tax Profit: \$4,123,216

Alternative Planning

| TAXWEALTH STRATEGY | |
|--|-------------|
| Distribution | \$5,687,260 |
| Debt | \$0 |
| Assumed Investment at 6.00% Annual Yield to Meet Long Term Tax Obligation* | \$344,178 |

*TaxWealth, Inc 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: \$5,687,260

Increased Distribution Compared to Conventional Sale: \$1,564,044

Total Available Funds (minus Tax Investment): \$5,343,082 (29.3% additional proceeds compared to conventional sale)

This case study is built on a calculated return that is specific to this client and transaction only. All transactions are unique and their tax benefits are calculated on a case by case basis. All documents pertaining to each case 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.