



TAX ANALYSIS AND PLANNING BENEFITS COMPARISON

Asset Information

\$1 Million Stock Sale of a Dental Practice

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

Projected Taxes

INDIVIDUAL	FEDERAL	CA
Taxable Gain	\$800,000	\$800,000
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
TOTAL INDIVIDUAL TAXES	\$160,000	\$83,824

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

TAXWEALTH STRATEGY	
Distribution	\$840,075
Debt	\$0
Assumed Investment at 6.00% Annual Yield to Meet Tax Obligation*	\$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 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.