

TAX PROJECTIONS AND PLANNING BENEFITS COMPARISON

Asset Information

Equity Sale of a Family Limited Partnership Interest in a Consulting Firm

Sale Price	\$18,000,000
Real Estate Cost of Sale at 0.0%	\$0
Non-Real Estate Cost of Sale at 0.0%	\$0
Net Sale Proceeds	\$18,000,000
Original Purchase Price (Basis)	-\$3,000,000
Capital Improvements	\$0
Real Estate Depreciation	\$0
Non-Real Estate Depreciation	\$0

INDIVIDUAL	FEDERAL	CT
Taxable Gain	\$15,000,000	\$15,000,000
Short Term Capital Gains / Ordinary Income Tax	\$0	\$1,045,100
Long Term Capital Gains Tax at 20%	\$3,000,000	\$0
Debt Over Basis Tax	\$0	\$0
Depreciation Recapture - Real Estate (25%)	N/A	\$0
Depreciation Recapture - Asset/Equipment (25%)	N/A	\$0
Depreciation Recapture - Good Will / Intangibles (25%)	N/A	\$0
3.80% Net Investment Income Surtax > \$250,000	\$560,500	\$0
3.80% Net Investment Income Tax on Debt Over Basis	N/A	\$0
TOTAL INDIVIDUAL TAXES	\$3,560,500	\$1,045,100

Total Taxes: \$4,605,600

Conventional Sale

SALE PROCEEDS

Net Sale Proceeds	\$18,000,000
Debt	\$0
Total Taxes	-\$4,605,600

Net After-Tax Profit: \$13,394,400

Alternative Planning

TaxWealth Strategy

Net After-Cost Distribution	\$16,392,900
Tax-Advantaged Distributions Added	\$3,278,580
Federal/State Income Tax Savings	\$378,900

Net Distribution: \$16,392,900

Increased Distribution Compared to Conventional Sale: \$2,998,500 (22.4%)

Additional Income Tax Savings Beyond Distribution: \$378,900

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.