

The Deferred Sales Trust

A Quick Reference Sheet for Potential Clients

What is a Deferred Sales Trust (DST)?

The DST has been used by financial savvy professionals and their clients for more than 22 years. It is a legal, proven and tested proprietary estate and tax planning strategy that allows persons who own highly appreciated assets such as real estate, a business or high value collectables to sell those assets and defer the ordinary income taxes and capital gains taxes over a period of years instead of paying them all in a lump sum. The law firm who created the DST stands behind your DST and will even provide audit defense protection at no additional charge. To date, the DST has a perfect legal track record.

The Deferred Sales Trust gives the seller/tax payer the ability to control their capital gains tax exposure, reinvestment terms, and installment payments made from the trust.

Possible Transaction Types Include:

Single Family Residence, Rental Property / Condo, Apartment Units, Commercial Property, Industrial Property, 2nd home, Raw Land, a Business, a high value collectable such as Art, Classic Cars, Sports Memorabilia, Gems, etc.

Summary of DST Benefits for Clients:

- Tax Deferral
- Diversified Collateral/Investments
- Flexibility (payout structure can be modified to suit changing needs)
- Seller/Taxpayer Protections (Funds are secured against theft or misuse)
- Higher, Stable Cash Flow
- If desired, can reinvest into real estate, or a business, at the opportune time

An Optional 1031 Exchange Rescue, Bail Out, Exit Strategy or simply A Way Out;

1031 Risks & Disadvantages

- **Rigid Rules and short deadline:** clients have 45 days to identify exchange property and 180 days to close. If exchanges fail, all taxes are due. Nationwide, 30-40% of 1031 exchanges fail.
- **A risk-free DST** could be established as a backup plan in case the 1031 fails- no cost unless the 1031 fails and you use the DST
- **A DST buys time;** a DST could provide a seller with more time to find the right upside or wait for better market conditions to buy into.
- **A DST provides depreciation basis reset** when buying an upside property.

**When selling, it's rarely too late to utilize the DST.
Schedule your "Free" DST Consultation today!**



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