

Introducing the Deferred Sales Trust™

Hypothetical Scenarios

Domiciled Taxpayers with Different State Income Tax

HYPOTHETICAL SCENARIO



Primary Residence in Miami

Mr. and Mrs. Taxpayer want to sell highly appreciated residential property in Florida they lived in for 10 years.

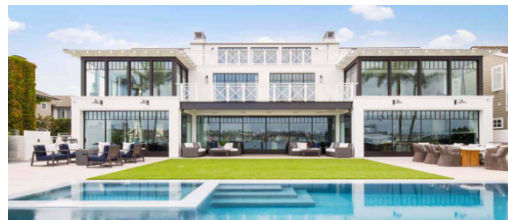
Sales proceeds after commissions and closing costs	\$4,000,000
Seller's Original Basis:	\$ 400,000
Mortgage Balance at time of closing:	\$ 300,000
IRC sec. 121 exclusion:	\$ 500,000 (\$250,000 p/owner in residence for 2 of the last 5 years)
Sellers Adjusted Basis:	\$ 900,000 (purchase price + section 121 exclusion)
Taxable Gain:	\$3,100,000 (net sales proceeds minus adjusted basis)

Approximate Tax Due	\$ 737,800
Approximate Tax Due with a DST.	\$ 0

Federal Tax	20%
FL State Tax	0%
Medicare Tax	3.8%

Net proceeds for re-investment: (w/DST) . . \$ 3,700,000
 Net proceeds for re-investment (w/o DST) . \$ 2,962,200
 (*) Seller may invest for income or possibly access some portion of proceeds tax free to buy new home.

HYPOTHETICAL SCENARIO



Primary Residence in Newport Beach

Mr. and Mrs. Taxpayer want to sell highly appreciated residential property in Newport Beach that they have lived in for 10 years.

Sales proceeds after commissions and closing costs	\$4,000,000
Seller's Original Basis:	\$1,000,000
Mortgage Balance at time of closing:	\$ 800,000
IRC sec. 121 exclusion:	\$ 500,000 (\$250,000 p/owner in residence for 2 of the last 5 years)
Sellers Adjusted Basis:	\$1,500,000 (purchase price + section 121 exclusion)
Taxable Gain:	\$2,500,000 (net sales proceeds minus adjusted basis)

Approximate Tax Due	\$ 927,500
Approximate Tax Due with a DST	\$ 0

Federal Tax	20%
CA State Tax	13.3%
Medicare Tax	3.8%

Net proceeds for re-investment: (w/DST) . . \$ 3,200,000
 Net proceeds for re-investment (w/o DST) . \$ 2,272,500



Helping clients preserve their estate and protect their wealth
(866) 867-8633