

Introducing the Deferred Sales Trust™

Hypothetical Scenarios

Comparison – State Tax v. No State Tax

HYPOTHETICAL SCENARIO – California



Insurance Agency in Los Angeles

Mr. and Mrs. Taxpayer want to sell highly appreciated insurance business they built over 20 years

Sales proceeds after commissions
and closing costs \$10,000,000

Seller's Original Basis: \$ 1,000,000

Taxable Gain: \$ 9,000,000

Approximate Tax Due \$3,339,000

**Approximate Tax Due with a
Deferred Sales Trust™ \$ 0**

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

Business Loan Balance at
time of sale: \$ 500,000

Net proceeds for re-investment: (w/DST) .. \$ 9,500,000
Interest Income at ~ 5% \$ 475,000

Net proceeds for re-investment (w/o DST) . \$ 6,161,000
Interest Income at ~ 5% \$ 308,050

(~ hypothetical interest rate)

** Minimum Viable DST Transaction is one in which
\$80,000 in taxes would be paid w/out any tax planning

HYPOTHETICAL SCENARIO -Florida



Auto Dealership in Tampa

Mr. Taxpayer wants to sell his prestigious car dealership he built over the past 25 years.

Sales proceeds after commissions
and closing costs \$ 10,000,000

Seller's Original Basis: \$ 1,000,000

Taxable Gain: \$ 9,000,000

Approximate Tax Due \$2,142,000

**Approximate Tax Due with a
Deferred Sales Trust™ \$ 0**

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

Business Loan Balance at
time of sale: \$ 500,000

Net proceeds for re-investment: (w/DST) .. \$ 9,500,000
Interest Income at ~ 5% \$ 475,000

Net proceeds for re-investment (w/o DST) . \$ 7,358,000
Interest Income at ~ 5% \$ 367,900



Helping clients preserve their estate and protect their wealth

(866) 867-8633