

Introducing the Deferred Sales Trust™

Hypothetical Scenarios

Comparison – Business Sale for \$1M NJ v. GA

HYPOTHETICAL SCENARIO – New Jersey



Coffee Roasting & Distribution Company in Hoboken

Mr. and Mrs. Taxpayer want to sell profitable business they built over 15 years

Sales proceeds after commissions and closing costs	\$ 1,000,000
Seller's Original Basis:	\$ 50,000
Taxable Gain:	\$ 950,000

Approximate Tax Due \$ 328,225

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

Federal Tax	20%
CA State Tax	10.75%
Medicare Tax	3.8%

Business Loan Balance at time of sale: \$ 0

Net proceeds for re-investment: (w/DST) .. \$ 1,000,000
Interest Income at ~ 5% \$ 50,000

Net proceeds for re-investment (w/o DST) . \$ 671,775
Interest Income at ~ 5% \$ 33,588

(~ 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 – Georgia



Construction Company in Peachtree

Mr. Taxpayer wants to sell his Established construction company he built over the past 18 years.

Sales proceeds after commissions and closing costs	\$ 1,000,000
Seller's Original Basis:	\$ 50,000
Taxable Gain:	\$ 950,000

Approximate Tax Due \$ 280,725

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

Federal Tax	20%
FL State Tax	5.75%
Medicare Tax	3.8%

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

Net proceeds for re-investment: (w/DST) .. \$ 1,000,000
Interest Income at ~ 5% \$ 50,000

Net proceeds for re-investment (w/o DST) . \$ 719,275
Interest Income at ~ 5% \$ 35,963



Helping clients preserve their estate and protect their wealth

(866)867-8633