



CLEAR VIEW WEALTH ADVISORS, LLC
Plan Well. Invest Smart. Live Better.

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CERTIFIED FINANCIAL PLANNER™ Professional
CHARTERED RETIREMENT PLANNING COUNSELOR®
ACCREDITED ESTATE PLANNER®

Pre-Sale Tax Analysis and Money Flow Projection

Sale of \$2.495M Business

Coupling a Monetization Loan with an Installment Sale

	\$ 2,495,000	Sale Price
Less \$	<u>249,500</u>	Costs of Sale at 10%
	\$ 2,245,500	Net Sale Proceeds
	<u>\$ 175,000</u>	Basis

\$2,070,500 Taxable Gain

Federal

Capital Gain on Good Will

\$ 1,656,400 Taxable Gain
@
(80% of Gain)
20% Tax Rate
\$ 331,280 Capital Gains Tax

Assets Sold (20% of Gain)

\$ 414,100 Taxable Gain
@ 25%
\$ 103,525 Income Tax

Net Investment Income Surtax

\$ 2,070,500 Gross Taxable
Less \$ 250,000 Threshold (Married)
\$ 1,820,500 Taxable
@ 3.8% Tax Rate
\$ 69,179 Tax

State of California

\$ 2,245,500 Net Sale Proceeds
\$ 175,000
\$ 2,070,500 Taxable Gain @
13.3% State Tax Rate
\$ 275,377 State Tax Due

Total Projected Federal and State Taxes

\$ 779,361

Money Flow

(Summary)

Without Planning

\$ 2,495,000 Sale Price
\$ 2,245,500 Net Sale Proceeds

None Debt Payoff
\$ 2,245,500 Net Before-Tax Profit
\$ 779,361 Federal / State Taxes

**\$1,466,139 Net After-Tax Profit
at Close of Escrow**

With Planning

\$ 2,495,000 Assumed Sale Price
\$ 2,213,502 Available Net Loan Amount

None Debt Payoff
\$ 2,213,502 Available Net Loan Amount
Deferred for 30 Years Federal / State Taxes

**\$ 2,213,502 Cash Tax-Free Available
at Close of Escrow**