

# The Importance of Qualified Appraisals in Bargain Sales and Asset Allocation

Insights from William Moran, Certified General Appraiser

As a Certified General Appraiser with licenses in Massachusetts and Florida, I bring a wealth of specialized knowledge and experience to the appraisal field. Whether you're considering a "bargain sale" to a public charity or looking to donate personal property or real estate, qualified appraisals are essential for ensuring accurate valuations and compliance with IRS regulations.

## Qualified Appraisals for Charitable Giving

When engaging in charitable donations, I understand the significance of substantiating fair market value (FMV) and maximizing your tax benefits. For non-cash contributions exceeding \$5,000, the IRS requires a qualified appraisal conducted by an independent and credentialed appraiser. My appraisals meet these stringent standards, providing detailed property descriptions, robust valuation methodologies, comparable sales data, and signed certifications that protect your interests.

Through my expertise, I help clients claim the maximum allowable deductions while adhering to IRS regulations. For appreciated real estate or long-term capital assets, these deductions can be significant. Additionally, I collaborate with legal and financial advisors to ensure you understand IRS-imposed percentage limitations and effectively utilize the five-year carry-forward period to optimize your tax benefits.

## Separating Appraised Values in Restaurant Sales

For transactions involving the sale of restaurants—including real estate, personal property, fixtures, and goodwill—I specialize in separating appraised values for maximum tax efficiency. Accurate allocation of purchase price among asset classes is critical for structuring transactions that reduce tax liabilities and comply with IRS standards.

## Asset Allocation in an Asset Sale

In my experience, allocating the purchase price among asset classes such as real estate, personal property, fixtures, and intangible assets like goodwill is vital to determining tax treatment. For instance:

- Real Estate: Often qualifies for long-term capital gains treatment, benefiting from lower tax rates.
- Personal Property: Subject to depreciation recapture, taxed as ordinary income.
- Fixtures: Proper valuation prevents undue tax liability from depreciation recapture.
- Goodwill: Reflects the intangible value of the business and often enjoys favorable long-term capital gains tax rates.

## Maximizing Tax Benefits

My appraisals help structure transactions to reduce tax liabilities effectively. By allocating value strategically among asset classes, I ensure that real estate and goodwill benefit from lower long-term capital gains rates while personal property allocation accurately captures recapture taxation.

## Documentation and IRS Compliance

Comprehensive and detailed appraisals are integral to substantiating FMV during audits. My reports include thorough valuation methods, comparable data, and assumptions specific to each asset class, ensuring they meet IRS compliance standards.

## Expert Guidance and Industry-Specific Insights

As a Certified General Appraiser, I provide tailored solutions for transactions involving nuanced industry classifications like restaurant sales. My expertise ensures that appraisals are defensible, well-documented, and optimized for tax efficiency. Collaborating with legal and financial advisors ensures that your transactions are structured in accordance with applicable laws while safeguarding your rights and financial interests.

## Conclusion

As a Certified General Appraiser, I offer an unparalleled combination of expertise, precision, and professionalism for your appraisal needs. My advanced licensing qualifications allow me to handle all property types, including complex commercial real estate and specialized facilities like restaurants. This expertise ensures that appraisals are accurate, defensible, and compliant with IRS standards, protecting your financial and legal interests.

Clients seek my services for my commitment to detailed, well-documented appraisals that adhere to the highest industry benchmarks. My reports include robust valuation analyses critical to substantiating FMV, particularly during audits or transactions involving intricate industry classifications.

Moreover, I prioritize collaboration and transparency in all my work. My ability to communicate complex valuation concepts in an accessible manner ensures that buyers, sellers, and donors alike fully understand the appraisal process and outcomes. Sharing appraisal costs often becomes a practical and equitable solution, benefiting all stakeholders and facilitating smooth, efficient transactions.

By leveraging my expertise, clients not only receive precise and credible valuations but also gain a trusted advisor who navigates the complexities of appraisal processes with care and confidence.