

ETA: ENHANCED TAX ADVANTAGE

Providing Capital Gains Tax Efficiencies

Have you considered selling an asset like a business, stocks, or real estate but are concerned about capital gains tax liability?

Our ETA Solution provides tax efficiencies to retain more value in investments. ETA offers a solution to offset the tax burdens from Capital Gains.

How Does ETA Work?

Using the sale of a business as an example, consider this:

If you have an effective capital gains tax rate of 20% and you sell your business for a gain of \$5M, you will owe \$1M in capital gains taxes.

Rather than paying the taxes out of the proceeds of the sale (leaving you with only \$4M) we partner with a lender to pay the taxes instead.

Through financing, ETA enables you to **keep the entire amount invested** and working for you, securing a greater outcome.

Why take out a loan when you have the funds now?

The **interest earned** on the entire proceeds of your sale **offsets the interest expense** on the loan to cover your taxes. That difference compounded over time can provide a greater outcome.

The details of how this works varies client by client; our proprietary modeling tools use your asset values and future financial goals to show you exactly how it can work for you.



#RETAINMOREVALUE

HOW COULD ENHANCED TAX ADVANTAGE WORK FOR YOU?

CONSIDER THIS EXAMPLE:



A 50 Year Old Female who lives to at least age 89 with \$1M in capital gains tax liability and \$1M in available net equity:

1

Traditional Investment Account

- \$1M in available net equity invested in an investment account
- Pay \$994k in tax over time
- **After-tax income of \$3.7M at age 89**

2

Enhanced Tax Advantage

- \$1M in available net equity contributed to ETA
- Plus, the \$1M previously earmarked for tax liability contributed to ETA
- **Pay \$0 in out-of-pocket taxes and receive tax-free income of \$10M**

Potential Candidates for ETA utilized for Capital Gains Tax Liability:

- Anyone with a \$250k capital gains tax liability
- All ages 70 and below*
- Those looking for tax efficiencies

**We have solutions for clients over 70; please contact us for details.*