Tax Advantaged Sales Strategies - Tools Matrix

		Type of Asset*				
Tax Strategies	**AKA**	**S-Corp**	**C-Corp**	**LLC**	**Assets**	
Donor Advised Fund	DAF	Yes	Yes	Yes	Yes	Charitable savings account that is **easy to create and maintain**. Types of assets accepted are dependent on the sponsoring nonprofit organization.
Private Foundation	PF	Yes	Yes	Yes	Yes	Federal regulation and self dealing rules must be followed. PF must distribute 5% yearly and can only **deduct 30/20% of AGI**.
Supporting Organization	SO	Yes	Yes	Yes	Yes	SO must support a 501c(3) or a class of 501(c)3s that can have a say in the governing board. Works **best with $5M+ of assets**.
Charitable Remainder Trust	CRT		Yes	Yes	Yes	Great tool for **capital gains tax burden**. Provides tax free sale, income for life from the whole asset, and income tax deduction for future gift. Can be used for portion of the asset.
Pooled Income Fund	PIF		Yes	Yes	Yes	Appreciated assets can be sold tax-free, and income is only taxed as it is invested. **Income can payout for mulitiple generations**. There are some very creative PIFs.
Charitable Lead Trust	CLT	Yes - After the Sale	Yes - After the Sale	Yes - After the Sale	Yes - After the Sale	Great tool for **estate tax burden**. Can be used in life or at death. Works best in a low interest rate environment.
Grantor Charitable Lead Trust	G-CLT	Yes - After the Sale	Yes - After the Sale	Yes - After the Sale	Yes - After the Sale	Flexible tool for **income tax planning**. Could function as a self endowment and works best in low interest rate environment.
Charitable Stock Bailout	CSB	Yes	Yes	Yes	Yes	Requires very special circumstances. **Could turn out negatively**.
Opportunity Zones	OZ	Yes	Yes	Yes	Yes	**Gains are re-invested**. Defers capital gains and client can pull out basis in cash. Provides future nontaxable growth if held 10 years and criteria is met. Has extensive rules regulations.
1031 Exchange	1031				Yes	Re-invest in a **like kind asset**. Basis rolled into new investment.
Deferred Sales Trust or Intermediated Installment Sale Trust	DST /IIST	Yes	Yes	Yes	Yes	Allows an asset to be transferred to a Trust and defer the taxes. Installment note payments will be taxed as the client receives them. There is **no IRS ruling** on this strategy.
Employee Stock Ownership Plan	ESOP	Yes	Yes			ESOPs provide employees with pride of ownership. A C-Corp and an S-Corp can be an ESOP but with different tax benefits They are **complicated and cumbersome** to set up and mantain.
Qualified Small Business Stock (1202)	QSBS or 1202		Yes			Can provide a $10M federal tax exclusion for a C-Corp investor who **qualifies under specific rules and guidelines**. Must be original stock of less than $50M business and held over 5 years.

Darker colors indicate potentially stronger affinity.

*Consult with trusted Tax, Legal and Financial Advisors.
*Tax Advantage Strategies often require an advisory team.
*UBTI can cause issues.

Tax & Estate Strategy
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