

Avoiding the Reinvestment Rollercoaster

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When you are selling a business, you want to put into effect a tax deferral program. You never want to limit your options.

A structured sale will help you with tax deferral and predictable income. It is in accordance with Section 453 of the Internal Revenue Code. Remember you have to designate the manner format for this program as the seller.

The buyer agrees to cooperate with the seller to affect the structured sale. This includes the execution of required additional documents, provided the buyer is at no additional expense as a result of this cooperation.

The structured sale is an insured installment sale with specific payments secured by an annuity issued by Allstate Life Insurance.

For the retiring seller, sellers starting a new business or any seller in need of tax-deferral; you can convert pre-tax sale dollars into tax-deferred installment payments. You will be able to design your own schedule of installment payments. This will meet your short and long-term needs.

You have the ability to create or supplement a retirement program with the structured sale. Annuity payouts can exceed the amount deferred. Best of all, annuity values are not subject to stock market fluctuations.

The structured sale is good for:

- Any seller that needs a dependable source of income or cash flow,
- Retiring sellers,
- Shareholder / partnership buyouts,
- Sellers in poor health,
- Any seller who wants to defer taxes on any portion of a sale - for any reason.

The structured sale is the best no out-of-pocket cost, hassle-free alternative to paying a huge tax bill. It is the only cash sale that utilizes the installment method of accounting to defer the recognition of a gain and related taxes for one or more years. It can conserve capital. Additionally, it guarantees the scheduled installment payments without any on-going costs, expenses, management fees or reinvestment risk.

You will be able to defer the first payment and taxes for a few months, few years or for as long as 20 years. You can use the structured sale for all cash sales and with a down payment with a seller's carry back note.

If you are a "C" corporate stockholder, payouts are designed to meet stockholder buyout or retirement needs. You can schedule multiple installment payments or do a future, single-lump sum payment. You have the capability to vary each schedule of payment in terms of payout, payout duration and payment dates. You currently need up to 9.8% just to equal a structured sale's annuity payout for 15 years if you don't pursue this route.

For further information on how to go about a structured sale, please contact [Andrew Hull](#) or visit the [Defer the Tax](#) website.

