



10 STRATEGIES

TO SATISFY THE COMPLEX TAX NEEDS OF THE BUSINESS OWNER

1 BUSINESS VALUATIONS

A 2018 study by the U.S. Trust Insight on Wealth and Worth shows that even though 71% believe it is important to leave a financial inheritance to their heirs, only 16% are having conversations with their advisors about wealth planning goals and topics. Business owners want to be sure what they have worked so hard to build will be protected, but need direction on how to put their wealth into action.

IDEAL CLIENT

- Business owner seeking to sell their business (Succession Planning)
- Prospective owner seeking to buy a business
- Buy-Sell Agreement

2 CAPTIVE INSURANCE

Big businesses have big risks! Many of these risks cannot be covered with traditional insurance. This is why many successful business owners are setting up their own insurance companies – and receiving a tax deduction up to \$2.3M per year.

IDEAL CLIENT

- Company with \$6 million+ of revenue
- Has risks that are either uninsured or prohibitively expensive under conventional insurance policies



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CHARITABLE PLANNING/LLC

Strategies for maximizing charitable gifts is something many high income-earning clients want to hear about.

IDEAL CLIENT

- Wants to reduce income tax
- Tax-Free Retirement Income
- Wants to protect assets from lawsuits
- Wants to eliminate capital gains tax
- Tax-Free Sale of Business
- Charitable Income & Endowment

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COST SEGREGATION

This strategy can help business owners with real estate accelerate the depreciation, leading to increased operating cash flow.

IDEAL CLIENT

- New or existing building, including all types of commercial properties and apartment buildings

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EMPLOYEE STOCK OWNERSHIP PLAN

An employee stock ownership plan (ESOP) is an employee benefit plan that gives workers ownership interest in the company. ESOPs give the sponsoring company, the selling shareholder, the opportunity to receive various tax benefits, making them qualified, tax deductible plans.

IDEAL CLIENT

- Seeking to prepare an exit plan and feels positive about the idea of selling some or all of the company to the employees and likes the idea of being able to defer capital gains taxes



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PREMIUM FINANCING

This advanced financial strategy offers qualified clients the ability to finance life insurance premiums instead of tying up their operating cash flow to pay premiums. This allows them to reduce disruption of existing investments, avoid liquidating high-earning assets, all while generating potential double-digit returns that can provide tax-free income or a debt-free legacy.

IDEAL CLIENT

- Age 40-65 in good health
- Net worth of at least \$2 Million and/or annual income of at least \$250k
- Comfortable with the idea of leveraging wealth
- Wants large tax-free income

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DEFINED BENEFIT PLANS

This strategy will have the ability to generate potentially very large sources of retirement income and also provide larger income tax deductions. Recognize contributions as high as \$500,000+

IDEAL CLIENT

- Business owner or medical professional within a small to medium sized entity who is older or close to retirement compared to other employees
- Strong and stable cash flow
- Large tax liability
- Expect to contribute for 5+ years



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KEY EMPLOYEE PROTECTION

Key-man insurance compensates a company for any financial losses that arise with the death of a top employee. It can protect a company—especially a newer company—in the instance of unforeseen circumstances that leave the business without one of its most important people.

IDEAL CLIENT

- A company with 10+ employees

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MONETIZED INSTALLMENT SALES

A monetized installment sale is a special type of installment sale whereby a seller of appreciated assets attempts to defer U.S. Federal income tax liability over a period of years while currently receiving cash or other liquid assets via a monetization transaction, such as a loan. This can result in the client receiving both 30-year capital gains deferral and 93.5% of the sale proceeds from the sale of an asset.

IDEAL CLIENT

- Individual with a highly appreciated asset and looking at significant capital gains from sale of asset

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OPPORTUNITY ZONES

An Opportunity Zone is a designation and investment program created by the Tax Cuts and Jobs Act of 2017 allowing for certain investments to have tax advantages. The purpose of this program is to put capital to work that would otherwise be locked up due to the asset holder's unwillingness to trigger a capital gains tax.

IDEAL CLIENT

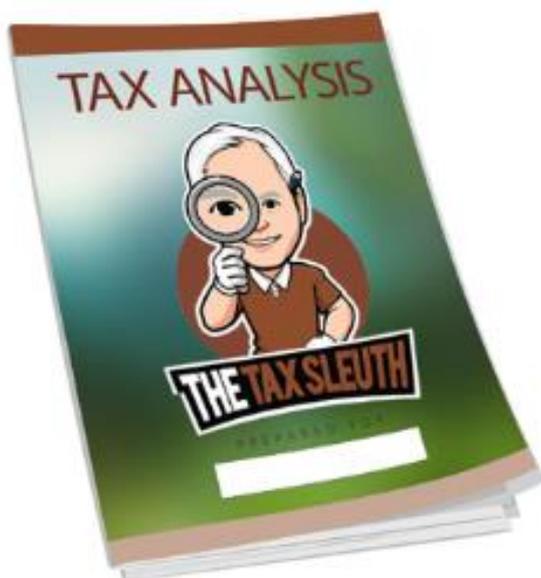
- Wants to have access to their investment principal with the ability to defer the capital gains tax for 6 years with a 10% discount
- Wants tax free growth on the deferral if held for 10 years



AN INVITATION FROM BILL NEWTON



IS YOUR TAXABLE INCOME MORE THAN \$500K?



WHEN WAS THE LAST TIME YOUR CPA APPROACHED YOU WITH AN IDEA THAT WOULD REDUCE YOUR TAX BILL...**BY 50%?**

Most CPAs look for the **RED** flags in the tax code. We look for the **GREEN** flags!

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