



How to reduce your \$XXX,XXX tax liability...

And increase your wealth.

9 out of 10 business owners that I have talked with do not receive proactive tax planning advice. The range of lost opportunities to reduce tax liabilities are from \$25,000 a year upwards of \$500,000. Where would you fall within this range? Let's assume it's only \$50,000. That would mean over the last 5 years you would have overpaid your taxes by \$250,000 (at least).

What could you have done with an extra \$250,000? And more importantly, if nothing gets changed on your current tax plan, how would you feel about paying another unnecessary \$50,000+ in taxes?

Why would this occur?

I am assuming your current Advisory Team was not aware of any strategies that would reduce your taxes...ouch. Which leads me into the question - What conversations have you had with your Advisory Team about tax reduction?

It's not your Advisory Team's fault and it's not your fault.

There is a difference between tax preparation and tax planning...one deals with compliance and backwards looking data and the other is proactive and is looking at the future possibilities! And most business owners don't realize the difference.

***Compliance** = making sure the numbers get in the right boxes*

***Strategic Tax Planning** = making sure the lowest numbers get in the right boxes.*

Legitimate Tax Avoidance

Supreme Court Justice Louis D. Brandeis (1856-1941) was a strong advocate of tax-wise giving, as noted in the following extract from his essay entitled “Thoughts on Legitimate Tax Avoidance.”

“I live in Alexandria, Virginia. Near the Supreme Court chambers is a toll bridge across the Potomac. When in a rush, I pay the dollar toll and get home early. However, I usually drive outside the downtown section of the city and cross the Potomac on a free bridge. This bridge was placed outside the downtown Washington, D.C. area to serve a useful social service: getting drivers to drive the extra mile to help alleviate congestion during rush hour.

If I went over the toll bridge and through the barrier without paying the toll, I would be committing tax evasion. If, however, I drive the extra mile outside the city of Washington and take the free bridge, I am using a legitimate, logical and suitable method of tax avoidance, and I am performing a useful social service by doing so. For my **tax evasion**, I should be punished. For my **tax avoidance**, I should be commended. The tragedy of life is so few people know that the free bridge even exists” (emphasis added)

- There are free bridges located within the Internal Revenue Code which allow you to legitimately avoid unnecessary taxes — the key is to know where to find them.
- But there are also other sections in the Internal Revenue Code which are designed to automatically take you across toll bridges, and the price for crossing a toll bridge is the payment of taxes.

Like Justice Brandeis, you need to make the effort to drive the extra mile and actually cross the free bridge. When you do, the benefits for you, your family, and our community can be substantial.

This is what we do: we help our clients find the free bridge.

Tax preparation is a one-time transaction while tax planning is an ongoing process that never seems to have an end in sight with changes in tax laws and personal goals.

Our commitment to you:

We will create a financial plan that would include appropriate tax strategies to reduce your tax liability as well as wealth enhancement strategies for business owners-key employees-affluent families.

Possible solutions: combining, timing and sequencing of the following:

(some strategies may be used in both tax and wealth enhancement strategies)

Tax strategies:

- ✚ Review major expense items for cost reductions. (business)
- ✚ Review depreciation schedule for acceleration of assets (only 33 certified specialists in the country)
- ✚ Oil and gas investments- 90% write off with recovery of principal over 5+ years
- ✚ Congress has incentivized landowners to “conserve” using environmental projects and with a 4.75X tax deduction
- ✚ Reposition assets into Private LLC with a charitable partner and receive 85% tax deduction
- ✚ Opportunity Zones: Defer capital gains and tax- free growth thereafter

- ✚ Installment sales- defer tax liability up to 30 years and have access to capital at 93.5%
- ✚ Reposition balance sheet for maximum tax efficiency
- ✚ Reduce wages and reemploy dollars elsewhere for tax efficiency
- ✚ Shift income to children and use for college funding
- ✚ Give interest to charity - receive large tax deduction-retain access to principal after 10 years
- ✚ Use charitable trust to eliminate capital gains - receive large tax deduction and maintain access to principal
- ✚ Defined benefit plan - be able to carve out owner and contribute upwards of \$150,000+annually

Wealth Enhancing Strategies:

- ✚ Reposition assets into Private LLC with a charitable partner and receive 85% tax deduction with access to monies
- ✚ Opportunity Zones: Defer capital gains and tax- free growth thereafter
- ✚ Installment sales - defer tax liability up to 30 years and access to capital at 93.5%
- ✚ Roth conversion capability with up to 50% discount
- ✚ Finance life insurance premiums with minimum out of pocket cash flow
- ✚ Create guaranteed tax- free income and enjoy chronic illness benefits
- ✚ Opportunity to reposition retirement plan assets into tax free assets/income with very little out of pocket costs
- ✚ Use tax deductible dollars to create incentive/long term programs for key employees.

...and more

Your Advisory Team responsibilities:

Be educated by our team of specialists