

# Primary Benefits of the Deferred Sales Trust™

**T**ax Deferral: When appreciated assets are sold, tax on the gain is deferred until the seller receives payments of the principal. Opting to receive future payments in lieu of an immediate lump sum delays the recognition of capital gains, thereby enabling the taxpayer to enjoy the benefit of the pretax proceeds for an extended period. Managing the amount and frequency of principal distributions can also enable the seller to benefit from lower marginal tax rates for the years in which the gains are recognized. The DST can defer capital gains taxes on the sale of almost any type of highly appreciated asset including: businesses & professional practices, commercial real estate, investment properties, high end primary residences, major stock positions, and very valuable artwork and collectibles, among other things.

## Flexible Payment Options:

The repayment terms and schedule can be structured in a variety of ways to best serve the needs of each specific taxpayer. This includes anything from minimal repayment of principal or rapid amortization. In addition, the commencement of payments can be immediate or can be delayed into the future.



## Liquidity and Diversification:

Can potentially convert an illiquid asset, like a business or commercial real estate, into a diversified portfolio of liquid investments. This can help reduce risk and volatility by preventing overexposure to a single asset class.

## Enhanced Retirement Income:

Can provide a stream of income for retirement based on the pre-tax proceeds from the sale instead of the after-tax proceeds, which are likely to be substantially less.

## Maintains Family Wealth:

Helps to maintain wealth within the family in a number of ways. First, by avoiding a massive drain of equity at the time of the sale, resulting from the immediate recognition of the full capital gains tax liability at the highest rates. Second, by potentially providing significant estate planning benefits. And finally, the DST can provide estate liquidity so that significant assets of the family do not have to be liquidated under less than ideal circumstances.



Helping Clients Preserve Their Estate and Protect Their Wealth

760 779 5339 | 45110 CLUB DRIVE, SUITE B, INDIAN WELLS, CA 92210 | WWW.MYEPT.COM

