

## **The Structured Sale**

*by Andrew Hull*

Until now, Sellers who wanted to “cash out” their greatly appreciated property had to choose between a huge tax bill and deferring the recognition of income and taxes. The use of a 1031 Exchange, CRT or TIC might be a satisfactory option for some, but not for others. They do little more than perpetuate the “like-kind property” investment cycle, are expensive or restrictive. On October 17, 2006 the Treasury Department and IRS issued regulations that if adopted, will disallow the deferral of capital gains tax via the Private Annuity Trust. The effective date for unfunded programs is October 17, 2006. These

Sellers of a qualifying business, real estate or other property can now perfect a *cash sale while* enjoying the tax-deferred advantages of an installment sale, *but without* the financial risk of unsecured payments! (Sale pursuant to I.R.C. Section 453, installment sales).

**The Structured Sale is a *cash sale*** with two components; cash at the close of escrow, and future installment payments that are guaranteed by a major, well-known, A+ life insurance company.

### **Who Can Benefit From the Structured Sale?**

- Sellers who want to achieve tax deferral and management free income.
- Retired or near retirement sellers who don't want a huge tax bill!
- Sellers who no longer want ownership or property management headaches.
- Sellers who want to break the “like-kind property” investment cycle.
- Sellers who want the best, no cost and hassle free alternative to a 1031 exchange, CRT or TIC.

### **The Seller Has Financial Security Independent of The Buyer! Not Your Typical Annuity**

When most people think of an annuity, it is usually of a type that accumulates funds over time, pays a single stream of income payments, or is responsive to the stock market. The “Structured Sale Annuity” utilizes both immediate and deferred payments that are fixed and determinable which are not affected by changes in the stock market. However, flexible in its design, the seller can take advantage of:

- Payments that can begin within one month or be deferred up to 20 years.
- Payments made for a specific period of time, or for a lifetime.
- A single lump sum or multiple streams of payments are allowed; each can vary in amount, timing of payment and duration; satisfying multiple future needs.
- Payments made monthly, quarterly, semi-annually, annually or in any combination when multiple streams of payments are utilized.
- The Structured Sale must be established prior to the close of escrow.

**No Sale or Ongoing Costs to the Seller and No Cost to the Buyer!**

The Structured Sale offers the seller the ability to create their own schedule of installment payments, *tailored to their* specific needs. Whether it is a single lump sum, payments for a few years or even a lifetime, the Structured Sale is for many, **the best, no cost and hassle free answer to just deferring taxes!**

*For more information or to receive a no cost or obligation confidential illustration, call (888) 480-0067 or visit [www.deferthetax.com](http://www.deferthetax.com).*