

2021 Income Tax Projection

Assuming 6/30/21 Sale of Business With Long-Term Capital Gain of \$5M, Other Ordinary Income of \$200,000, and 5% Return on Net After-Tax Sale Proceeds Divided 50/50 Between Qualified and Nonqualified Dividends

Case #1: Outright Sale

Case #2: Outright Sale with Other Income

Case #3: 100% Sale by CRT With 75/25 Split of CRT Distributions Between Long-Term Capital Gains and Dividend Income With Dividends Split 50/50 Between Qualified and Nonqualified

SALE OF BUSINESS

Summary Report

	2021			2022	
	Outright Sale	Outright Sale + Other Income	CRT + Other Income	Outright Sale + Other Income	CRT + Other Income
Income:					
Interest & Dividends	0	80,846	31,250	161,692	62,500
Capital Gains & Losses	5,000,000	5,000,000	93,750	0	187,500
Other Income	0	200,000	200,000	200,000	200,000
Total Income	5,000,000	5,280,846	325,000	361,692	450,000
Adjustments:					
Total Adjustments	0	0	0	0	0
Adjusted Gross Income	5,000,000	5,280,846	325,000	361,692	450,000
Personal Exemptions	0	0	0	0	0
Itemized Deductions:					
Charitable Contributions	0	0	97,500	0	135,000
Taxes	0	0	0	10,000	10,000
Total Itemized	0	0	97,500	10,000	145,000
Standard Deduction	25,100	25,100	25,100	25,100	25,100
Total Deductions from AGI	25,100	25,100	97,500	25,100	145,000
Taxable Income	4,974,900	5,255,746	227,500	336,592	305,000
Regular Tax:					
Schedule or Table Tax	1,777,236	1,881,149	42,642	69,363	61,242
Alternative Capital Gains Tax	957,780	1,033,491	33,891	61,548	43,285
Appropriate Regular Tax	957,780	1,033,491	33,891	61,548	43,285
Net Alternative Minimum Tax	5,020	23,600	0	0	0
High Income HI, Medicare & Other Tax	180,500	191,172	2,850	4,244	7,600
Total Federal Taxes	1,143,300	1,248,263	36,741	65,792	50,885
Net Federal Tax Due	1,143,300	1,248,263	36,741	65,792	50,885
Resident State Tax	622,875	660,227	15,167	26,791	23,762
Net Resident State Tax Due	622,875	660,227	15,167	26,791	23,762
Total Net Tax Due	1,766,175	1,908,490	51,908	92,583	74,647
Marginal Nominal Federal Rate	26	28	22	24	22
Marginal Federal Rate with Phaseouts	26	28	22	24	22
Marginal Resident State Rate	13	13	9	9	9