

STRUCTURE, STRATEGY, SAVINGS: UNLOCKING \$1.2M & FUTURE-PROOFING THE COMPANY

BACKGROUND

A successful mid-sized business with multiple entities engaged our firm for strategic tax planning & compliance. Though profitable, their structure had grown complex, & they suspected they were overpaying.

Our discovery process uncovered over \$1.2 million in immediate tax savings, along with long-term opportunities in estate planning and entity strategy.

SOLUTIONS

Through our Tax Discovery Process, we identified & implemented the following strategies:

- Closed a Dormant Entity: Dissolving an inactive LLC & deducting the capital account balance generated \$30K in tax savings.
- Reclassified Inventory: Leveraging the small business exception allowed one entity to deduct \$50K in inventory, saving \$12K in taxes.
- Compensation & Dividend Realignment: Restructuring owner compensation reduced individual income taxes by \$110K annually while preserving retirement plan contributions.
- Entity & Rent Optimization: Increasing intercompany rent and utilizing pass-through entities eliminated \$47K in corporate taxes and saved \$23K per \$100K in related-party payments.
- Strategic Estate & Gift Planning: Avoided an estimated \$3.8M in future estate tax

CONCLUSION

Our strategic tax planning helped this client reduce immediate tax liability by over \$1.2 million while setting the foundation for long-term growth, succession, and continued savings.



AT A GLANCE

Challenges

- Outdated accounting method inflating taxable income
- Corporate structure exposed to double taxation
- No estate plan in place before exemption changes
- Overlooked captive insurance opportunity
- Tax-inefficient owner compensation

Benefits

- Total Tax Savings: \$1.2 Million+
- Reduced Estate Tax Exposure
- Improved Structure for Growth & Succession
- Lower Corporate & Personal Tax Burden
- Better Use of Tax-Advantaged Strategies

***Save money, make money, stay out of
trouble, have fun.™***