

CAPITAL GAINS ANALYSIS ON SALE OF HOME

SALES NUMBERS + TAX REPORTING

Cost Basis	3/15/1964		
Adjusted Cost Basis - INCREASE		↔	CAP IMPRVMT
Adjusted Cost Basis - DECREASE		↔	DEPRECIATION
EST'D ADJUSTED COST BASIS		▶	- Adj'd Cost Basis
Existing Mortgage Debt		▶	Debt
RPA Sales Price		▶ ▶	Sales Price
Est'd Escrow/Title; Listing/ESQ Fees		▶ ▶	ALL Closing Costs
NET Sale Proceeds BEFORE Taxes		▶	Before Taxes
EST'D REPORTABLE CAPITAL GAIN		▶	TAXABLE CAP GAIN
Tax Filing SINGLE \$250,000			121 EXEMPTION
Tax Filing MARRIED \$500,000			
EST'D CAPITAL GAIN subject to tax			TAXED PORTION
9.3%	1-12.3%	1	TAX - CA
15.0%	0%-15%-20%	1	TAX - FED
3.8%	MEDICARE SURTAX	0	MED PORTION
Total Estimated FTB + IRS Tax	24.3%		TOTAL TAX ON CG
Est'd Distribution After Tax			\$0 AFTER TAXES

Contact me for customized calculation:

<https://stansen.com/contact/>

TAX ESTATE PLANNING

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WHAT ARE YOUR RESIDENTIAL CONCERNS & TAX ESTATE PLANNING SITUATION?

DO THESE CIRCUMSTANCES FIT YOUR CURRENT STATUS

Aged 55+ ▪ 20+ Year Ownership ▪ Equity Exceeds \$250/500K §121 Exemption ▪ Residence ▪ Open to Conversation

CASH FLOW

Maintaining a steady, **predicable cash flow** is important to many. If the lion share of your NET worth is tied up in house equity, selling to access cash flow may be needed.

“RIGHT” SIZE

Often homes **owned for 20+ years** no longer match needs & maintenance costs justify right-sizing. Have you **outgrown** the need for & cost of this home?

ESTATE PLANNING

For the benefit of maintaining **positive cash flow through retirement** & providing a financial legacy for others, selling may be wise.

MOVING

Deciding to move, for whatever reasons, requires serious attention pivoting on timing, **home’s FMV, tax on cap gains,** and more.

CAPITAL GAINS

Many homeowners are unaware of the several ways to contend with **capital gains tax exposure**. This is where we assist.

WHAT ARE YOUR OPTIONS?

1

DEATH

Beneficiaries receive stepped up basis – FMV of Residence at Date of Death

There is no property sale & no access to built up equity except, perhaps, from a reverse mortgage but refinances in retirement years can be very difficult.

2

COST BASIS

Whatever you paid for the property becomes the # from which CG calc starts

Homeowner reports and fully pays the CAP GAIN TAX **in the year of sale** – the amount of combined State & Federal tax depends on your tax bracket but could amount to as much as ~37% of the taxable portion after applicable exemptions.

* Subject to Calculation *

3

COST+ BASIS

The original cost of the property **PLUS** capital improvements

4

DEFER - ELIMINATE

We customize Tax Estate Plans that DEFER or ELIMINATE Tax on Capital Gains

There are numerous ways to **reach your goal by several available customized tax estate plans.**

In order to know which plan is best for any particular homeowner, **we scrutinize key financial data (i.e., personal financial statement, tax returns, existing estate planning).**

Taken together, these documents provide a base from which a customized tax estate plan can be crafted that meets a homeowner’s retirement needs and objectives.