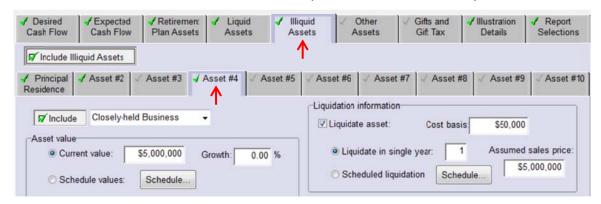
## Wealthy and Wise<sup>®</sup> Calculations for the After Tax Capital Generated by the Sale of a Business and a Personal Residence

For this, we used one of the sub-tabs on the Illiquid Assets tab in Wealthy and Wise:



This generated a report named "Liquid Assets Cash Flow Analysis" with this information:

## Year 1

-		Proceeds from sale of Closely-held Business Cost basis of Closely-held Business		5,000,000
	4,950,000	Taxable gain from sale of Closely-held Business 25.00% Capital gains tax	-	1,237,500
		After tax cash flow from sale of Closely-held Business		3,762,500
		Cash flow reinvested in equity account		3,762,500
		Total cash flow reinvested:		3,762,500

The \$3,762,500 in after tax cash flow is included in Year 1 of Column 2 in the report named Equity Assets (Detail).

## Calculations for the After Tax Cash Flow from the Downsizing of a Personal Residence

The Groves also intend to downsize their home in five years. We used the Principal Residence sub-tab on the Illiquid Assets tab in Wealthy and Wise for this calculation. It is generated in a report named "Replacement Residence Cash Flow Analysis". The \$488,140 is included in Year 5 of Column 2 in the report named Equity Assets (Detail).

## Year 5

-		Proceeds from sale of principal residence Cost basis of principal residence		850,854
-		Gain from sale of principal residence Less excludable gain		
	50,854	Taxable gain from sale of residence 25.00% Capital gains tax Mortgage balance payoff of principal residence	-	12,714
		After tax cash flow from sale of principal residence Cost of replacement residence	-	838,140 350,000
		Cash flow reinvested in equity account	_	488,140

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