

Tax Consequences of Buying or Selling a Business ©

Objective: When businesses are purchased or sold, the tax consequences often surprise the parties. In order to minimize the after-tax cost to the purchaser or maximize the after-tax benefits to the seller, the parties or their advisors must know the applicable tax rules. This practical course will address the critical federal income tax issues that should be considered whenever a business is purchased or sold.

Learning objectives:

- Explain the tax advantages of buying assets instead of stock
- Describe how transaction expenses should be treated
- Analyze how the purchase price should be allocated to maximize tax benefits
- List the reasons to sell stock instead of assets
- Note ways to avoid two levels of tax
- Assess the impact of net operating loss carryovers
- Describe how the installment sale rules work
- Consider if the selling entity should liquidate after an asset sale
- Explain the special rules applicable to S corporations
- Explain the rules applicable to an LLC that is taxed as a partnership

CPE: 8 hours

Level: Basic to Intermediate

Category: Tax

Prerequisites: None

Instructor: Dennis Gerschick

Code: TABS