

SOUTH CENTRAL CHAPTER

PA: PX-000501L , NJ: 20CE00159200, NY: 002280, IRS: E3S5R

Sale of Business Tax Considerations **Wednesday, September 22, 2021**

Course description on the back of this form

Radisson Hotel Harrisburg

1150 Camp Hill Bypass

Camp Hill, PA 17011

Hotel Phone: 717-763-7117

Registration & Breakfast: 7:30 AM

CPE: 8:00 AM—12:00 PM

Breakfast Buffet will be served

CPE: 4 Hours Federal Tax

Registration Deadline: 9/15/21

SPEAKER: James F. Tice, EA

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NAME: _____ ID # _____ PTIN # _____

Street Address: _____ City/State/Zip _____

Email Address: _____ Phone: () _____ Fax: () _____

☐ **MEMBER (\$55)** ☐ **STAFF (\$60)** ☐ **NON MEMBER (\$65)** ☐ **STUDENT: Free**

☐ Check made payable to: SOUTH CENTRAL CHAPTER PSTAP is enclosed.**

☐ Credit Card: ____MC ____Visa/Amex Acct # _____ Exp: _____

Signature: _____ CVV#: _____

Register online with credit card at www.pspacpe.com

Mail form to: PSTAP Executive Office Attn: SOC Chapter Meeting
20 Erford Road, Suite 200A, Lemoyne, PA 17043
FAX: 717-737-6847 Questions?: 1-800-270-3352

**** Please make checks payable to: SOUTH CENTRAL CHAPTER PSTAP**
Separate check requested for each event. Please do not combine meeting and seminar fees.
No Shows are Ineligible for Refunds — All topics are Subject to Change.

Sale of Business Tax Considerations Course Description:

Course Description: The sale of closely held businesses raises a large number of tax issues. Some sales proceeds are taxed at ordinary income rates rather than capital gain. The structure of the sales transaction affects the buyer's depreciation and amortization going forward. The purchaser may or may not be able to deduct transaction fees related to the acquisition.

This course addresses common tax issues that arise in the sale of non-public companies and other closely held businesses, including the tax treatment of stock sales and asset sales, the election under section 338(h)(10) and the allocation of purchase price, escrow arrangements and earnouts, and the tax treatment of intellectual property and intangible assets.

Agenda:

- Stock Sale vs. Asset Sale Tax Treatment (Buyer and Seller's perspective)
- Purchase Price Allocation in Asset Sales
- Character of Business Assets Tax Treatment including Intellectual Property, Covenants Not To Compete, and Goodwill (Intangible Assets)
- Section 338(h)(10) Election Deemed Asset Sale Consequences
- Deferred Payments in Sales of Business including tax consequences of Installment Sales, Earnouts, and Escrow Accounts
- Sales to Related Parties (Family Members)
- Dispositions of Unwanted Assets Prior to Sale of Business including Spin-offs prior to acquisition
- Capitalization of Transaction Costs related to Sale of Business
- Tips & Takeaways
- Resources
- Questions

Objectives:

- Differentiate tax treatment between stock sales and asset sales
- Identify when a Section 338(h)(10) election should be made and its consequences
- Describe how earnouts and other contingent purchase price transactions are treated under tax rules
- Identify special rules regarding taxation of intangible assets
- Recognize the business consequences of a stock sale
- Describe which Internal Revenue Code section states that the buyer and seller shall allocate the purchase price in the manner prescribed in Code Section 338(b)(5)
- Identify which asset class is allocated last with respect to a purchase price allocation as required by IRC Section 1060
- Recognize which type of property is a capital asset
- Describe the Net Investment Individual Income Tax
- Identify when Form 8023 is used
- Calculate the Gross Profit Ratio
- Recognize how much of every installment payment received will be characterized as basis recovery
- Describe Revenue Ruling 79-91
- Identify what is considered a related party under IRC Section 267(b)
- Recognize tax court cases and how they apply to your client
- Describe ordinary assets
- Recognize when Section 197 intangibles, which includes covenants not to compete, are amortizable
- Differentiate IRC Sections and how they apply to a sale of a business
- Describe correct statements related to the acquisition and disposition of assets
- Identify which costs may be deducted

And More!