

# Tax Considerations for Buying and Selling a Business (TXCB)

## Course Overview

We'll review the options for structuring a sale from both the buyer's and seller's perspectives with the purpose of minimizing tax cost and consider the sale of C corps, S corps and partnerships to aid you in planning the sales transaction and determining the value of using a partnership or S corp to conduct the business. Also, we'll cover topics that are not routinely considered in a tax compliance practice, but are important to the sale of a business.

## Objectives

- Recognize tax planning opportunities for selling a business.
- Identify the tax consequences of using employment and consulting agreements, covenants not to compete, personal goodwill and contingent sales price.
- Recall how to treat acquired intangibles (IRC 197).
- Identify the basics of Section 754 and Section 338 elections.
- Determine how to best transfer ownership to employees.

## Major Topics

- Taxable asset sales and sale of stock of corporation
- Comparison of tax consequences of C corps, S corps and partnerships
- Tax treatment of transaction costs of acquired intangibles: IRC 197
- Seller consulting and employment agreements
- Installment sales
- Stock redemptions
- Using an employee stock ownership plan
- Using tax deferred acquisitive corporate reorganizations
- Net operating losses and tax credits of acquired corporate business
- Section 1202; Stock Section 1244; the basics of stock Section 754 elections; and Section 338 and 338(h)(10) elections

**Field of Interest Code:** Taxes

**CPE Hours:** 8.00 | **MCLE:** 6.50

**Level:** Intermediate

**Designed for:**

CPAs and attorneys who have at least two years of experience advising owners of privately owned businesses.

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