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Newsletter Article Reprint

From Hy's Desk: Another Adage

September 2008

We've all heard the truism: "The only thing for sure is death and taxes." Regardless of your political leanings, there, most likely, will be a tax increase next year. The most probable area of increased taxation will be the Capital Gains Tax.

At present the Capital Gains Tax is at 15% which was reduced from 28% during the Reagan administration. If implemented it is likely that the tax will be retro-active to January 1st, 2009. If so, any transaction that occurs after that date will be taxed at the higher rate.

This month's feature article will give you an indication of how an increase of the Capital Gains Tax may affect the after tax income that a seller might receive when selling a practice. I am currently advising all clients that are considering selling within the next 18 to 24 months to review the potential impact of this change with their CPA or tax advisor, now, for the purposes of planning.

A handwritten signature in black ink that reads 'H. M. Smith'.

Hy Smith, MBA
Managing Member

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