Michael Lagos
(866) 444-4964
mlagos@lagosadvisors.com

Bob Langsam
(800) 825-9990
rlangsam@lagosadvisors.com

CORPORATE TAX STRATEGY ("CTS")
Creating Tax Savings To Provide Corporate Financing

The "**CTS**" strategy dates back to legislation passed in 1998 (Tax Reform Act of 1997), and most recently modified in 2006. It is ***available to Privately Held businesses*** which qualify, and for those that do, the tax benefits can be very significant.

How can this strategy help business owners? **CTS *can convert a substantial portion of corporate taxable profits (taxable profits and/or Owner income) to tax-exempt dollars.*** These tax-exempt dollars provide capital for business expansion (real estate, equipment, etc.) while mitigating federal and state tax in accordance with Congressional intent and all applicable laws and regulations. In addition, ***business Owner(s) can benefit by converting their taxable income into tax-free distributions.***

Why has such a powerful tax planning strategy gone unnoticed? Primarily because it is not a packaged or "cookie cutter one fits all" plan. The strategy is custom designed to each business and for each business owner's goals and objectives.

The strategy involves knowledge in ERISA, tax law and business law simultaneously, and was complex and administratively burdensome to implement. Working closely with the attorneys who were the architects of the strategy design, an Administrative firm has developed the program to provide a seamless turn-key plan.

To determine whether or not **CTS** may be appropriate, the business must satisfy three ***basic eligibility requirements***. First, that the business has existed at least three years; second, that the business reasonably expects to continue to remain in business for the next five years; and finally, that the business has a minimum of $100,000 in annual pre-tax income. Any form of business may qualify, whether a C or S Corporation, Partnership, LLC, LLP, a Professional Corporation or Sole Proprietorship.

Should a successful business claim not to be paying income taxes, it is usually because that business is investing in inventory, equipment with depreciation benefits, R&D credits, or as in most instances, merely paying bonuses at year end to zero out the business tax liability. **CTS** is designed to convert corporate taxable dollars into tax-exempt dollars, so the business has more money to finance growth, ***or to direct these tax-exempt dollars to the Owner(s) to provide tax-free income.***

Compared with other tax strategies **CTS *is predicated on specific legislation and tax regulations***, and is not similar to many tax strategies that in design may present a potential tax challenge. **CTS *will essentially cost the business Owner(s) absolutely nothing***…once a feasibility study is completed, if the strategy does not save in taxes at least three times the initial cost, then it would not be appropriate to implement.

CTS will provide the opportunity to save taxes and create tax-exempt dollars for the business as capital financing for expansion and growth. It can provide the funds for business succession planning among the Owners, or for estate planning for the retention of the family business. ***These tax-exempt dollars can be directed to the Owner(s) in a discriminatory designed plan providing tax-free retirement income.***