

# Possible *(Re)Defined*™



Confidence and Clarity



Integrated Solutions



Insight and Foresight

WEBINAR

# Turbocharge Tax Efficiency with QSBS

WELCOME

# Today's Presenter



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# Agenda

- Understanding QSBS
- Leveraging QSBS for Tax Efficiency
- Navigating Compliance and Regulations
- Combining QSBS with Other Tax Strategies
- Real-Life Success Stories
- Q&A

WHY TAX EFFICIENCY MATTERS FOR HNW I

# Importance of Tax Efficiency for HNWIs

- Impact of Taxes on Wealth Accumulation
- The Role of Strategic Tax Planning for HNWIs
- Staying in contact with your investments





## DEFINITION AND ELIGIBILITY CRITERIA

# Understanding QSBS

- Explanation of Qualified Small Business Stock (QSBS)
  - ✓ Exclusion of greater of \$10M or 10X investment
- Criteria for Qualification
  - Company Qualifications
    - Active business requirements
    - Qualified trade or business
    - Eligible corporation
  - Shareholder Qualifications
    - Original issuance
    - Transfer restrictions



## TAX BENEFITS OF QSBS

# Tax Benefits and Advantages

- Capital Gains Exemption: Section 1202
- Potential Tax-Free Gains
- Lower Effective Tax Rate

IRC Sec. 1202 Stock Acquired	Capital Gain Exclusion	AMT addback	Tax rate on gain not excluded
8/11/93 - 2/17/09	50%	7%	28%
2/18/09 - 9/27/10	75%	7%	28%
9/28/10 - Present	100%	0%	n/a

QSBS TAX SAVINGS

# Case Studies

- VC investing in drug discovery and commercialization startup
- Working with shareholder to get QSBS info from public company



## STRATEGIES FOR IDENTIFYING OPPORTUNITIES

# Leveraging QSBS for Tax Efficiency

- Identifying Eligible Small Businesses
- Evaluating Potential QSBS Investments
- Optimal Holding Periods for Maximum Tax Savings
- Strategies for Structuring Exits



## TAX IMPLICATIONS OF QSBS DISPOSITION

# Tax Implications and Planning

- Understanding Tax Treatment on QSBS Sale
  - Installment sales
  - Stock-for-stock mergers
  - Cash and stock mergers
- Planning for Potential Rollover Provisions
  - §1045 rollovers for individuals versus partners in partnerships



## IMPACT OF TAX LAW CHANGES

# Navigating Compliance and Regulations

- Meeting Compliance Criteria for Claiming QSBS Exclusion
- Staying Informed on Regulatory Updates



SYNERGIES WITH ISOS AND TAX-FAVORED INVESTMENTS

# Combining QSBS with Other Tax Strategies



Strategies for Integrating QSBS with Incentive Stock Options



Leveraging Other Tax-Favored Investments

UTILIZING QSBS FOR ESTATE AND  
GIFT TAX EFFICIENCY

# QSBS in Estate and Gift Tax Planning

- Considerations for Transferring QSBS to Heirs
- Estate Planning Opportunities

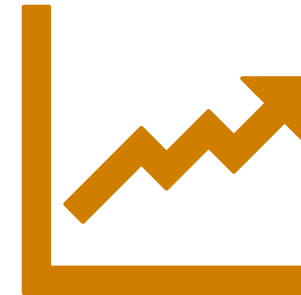


DIVERSIFYING INVESTMENTS WHILE PRESERVING QSBS BENEFITS

# Diversification Strategies



Balancing Risk and Reward



Strategies for Diversification





EXTRACTING KEY INSIGHTS FROM HNWI CASES

# Lessons Learned from HNWI Cases

- Best Practices for QSBS Implementation
- Avoiding Common Pitfalls

# Q&A

Thank you for  
attending

## Additional Questions?

*Reach out to us at*

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