



## Comparison of Options for Deferring Capital Gains

	<u>Cash</u>	<u>1031 Exchange</u>	<u>Tenants in Common</u>	<u>Installment Sale</u>	<u>Structured Sale</u>
<b>Defers capital gains?</b>	No	Yes	Yes	Yes-unless buyer defaults.	<b>Yes</b>
<b>Defers gains on a residence?</b>	No	No	No	Yes	<b>Yes</b>
<b>Defers a portion of the sale?</b>	N/A	No	No	Yes	<b>Yes</b>
<b>Eliminates the risk of buyer defaulting?</b>	N/A	N/A	No	No	<b>Yes</b>
<b>Eliminates management or investment risks?</b>	N/A	No	No	No	<b>Yes</b>
<b>Income guaranteed by A+ rated life insurer?</b>	N/A	No	No	No	<b>Yes</b>
<b>Guaranteed rate of return?</b>	No	No	No	Depends	<b>Yes</b>
<b>Lifetime payment option?</b>	No	No	No	Not likely	<b>Yes</b>
<b>Custom designed income plans?</b>	No	No	Possible	No	<b>Yes</b>
<b>Avoids ongoing fees and expenses?</b>	No	No	No	May require letter of credit.	<b>Yes</b>
<b>Avoids buying additional real estate?</b>	Yes	No	No	Yes	<b>Yes</b>
<b>Buyer also benefits?</b>	No	No	No	Yes	<b>Yes</b>

Note – As of October 17, 2006, the IRS has disallowed Private Annuity Trusts as a means to defer capital gains. This information is not intended to give legal or tax advice. Consult your own advisor prior to entering into any transaction.