

# GOODBYE CAPITAL GAINS TAX!

## Is 2021 the Year to Sell?

VISTAGE  
National CEO Conference Series

Presented by: **Bob Hild, Chairman & CEO, ACT Capital Advisors**

Panelists: John Norton, Managing Director

Mike Vanderslice, Managing Director

Matt Latimer, Managing Director & General Counsel

### Takeaways from Today Discussion Points

1. The Current State of M&A
2. Proposed Tax Changes and their Impact
3. Why Your Business Might be Worth More Post-Pandemic
4. Value-Enhancing Preparations
5. Panel Discussion/Q&A

### Factors Driving The Market

1. Improving Economy Post-Pandemic
2. Private Equity \$1.7T “Dry Powder”
3. Corporations \$4.0T – Excess Cash
4. Fed’s Low Interest Rate Policy
5. Aging Baby Boomers

### Proposed Tax Changes

	Current Law	Biden Plan
Corporate Tax Rate	21%	28%
Individual Tax Rate	Top rate is 37%	Raise top rate to 39.6% for income over \$400,000
Capital Gains Rate	Top rate is 20%, plus 3.8% Net Investment Income Tax (NIIT) over \$200,000K (single) and \$250,000 (married)	Remove preferential rate for capital gains for taxpayers with income over \$1,000,000, taxed at ordinary rates. 3.8% NIIT remains

### M&A “Headwinds”



1. Taxes - Increase Corporate Tax



2. Taxes - Increase Individual Tax



3. Taxes - Elimination of Capital Gains

### Key Points

- Taxes will impact value and after-tax proceeds
- Be a quality company
- If you are considering selling in 2021, start now.

# WHAT MAKES A “QUALITY” COMPANY?

## Value-Enhancing Qualities

1. Strong management team
2. Growth potential / scalability
3. Barriers to entry
4. Increasing margins and profits
5. Minimal customer concentration
6. Recurring revenues
7. GAAP prepared financials

To score your business, download the “Score Your Business” worksheet [here](#).

For more information, visit our [website](#).



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