



"A CPA firm that understands dealership management, accounting, and tax issues"

Tax Aspects of Dealership Asset Sales

Category	Capital Gain or Ordinary Income	Federal Tax Rate to Seller:
Inventory	Ordinary Income	Maximum rate of 35%
Fixed Assets - machinery, shop furniture, company vehicles	Ordinary Income	Maximum rate of 35%
Intangible Assets – goodwill, franchise value, customer lists	Capital Gain	Maximum rate of 15%
Non-compete agreement	Ordinary Income	Maximum rate of 35%
Land	Capital Gain	Maximum rate of 15%
Buildings	Capital Gain	Maximum rate of 15%
Recapture of depreciation		Maximum rate of 25%
Other Income Sources Resulting from the Sale:		
Rental income	Ordinary Income	Maximum rate of 35%
Consulting income	Ordinary Income	Maximum rate of 35%
Wages	Ordinary Income	Maximum rate of 35%

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