

Profitable Tax-Free Advice

for Real Estate Investors

SELF-DIRECTED RETIREMENT PLANS

Five Investor Stories

Did you know that it is possible and profitable to include real estate - commercial properties, loans, mortgages, partnerships and more - as an integral part of your retirement portfolio? When income is generated from your investments, the money stays in your IRA, which means you avoid paying income tax. Your IRA grows tax-free.

The following are five actual transactions completed using the strategy just described:

CASE STUDY #1: SALE OF A REAL ESTATE CONTRACT

1. The taxpayer transferred \$100,000 to a self-directed IRA.
2. The IRA executed a contract to purchase a pre-construction condominium in Bonita Springs for \$450,000.
3. The IRA put down 20% over the next nine months for a total of \$90,000.
4. The taxpayer found a buyer for the condominium before completion at a sale price of \$490,000.
5. The IRA sold the contract to the third party, and the money from the sale was deposited back in the IRA for a *tax-free* gain of \$40,000.

CASE STUDY #2: PURCHASE OF A RENTAL CONDO

1. The taxpayer transferred \$200,000 to a self-directed IRA.
2. The IRA executed a contract to purchase a condo in Fort Myers for a purchase price of \$175,000.
3. The condo was rented and produce a net cash flow of \$1,000/month after taxes and condo fees. This is an annual return of 6.86% - *tax-free*. In a taxable account, this would amount to a return of 9.8%, assuming the taxpayer is in the 30% bracket.
4. Other condos in this unit are selling for \$225,000. Any gain on the sale of this property will go back into the IRA, *tax-free*.



Set a New Course for Your Investments

The way you handle your finances today, will impact your lifestyle tomorrow. Take control of your investments in a self-directed retirement plan and gain complete control over your financial future. Depend on investments you understand to increase your retirement dollars. The Parlante Group can show you how.

Self-Directed Retirement Plans

- Traditional IRAs
- Roth IRAs
- SIMPLE Plans
- Self-Employed Pensions (SEP)
- Individual 401K
- Educational IRAs



MORE ABOUT SELF-DIRECTED RETIREMENT PLANS



CASE STUDY #3: MORTGAGE NOTE

1. The taxpayer transferred \$125,000 to a self-directed IRA.
2. The IRA executed a contract with a third party borrower in the amount of \$120,000.
3. The borrower now makes monthly payments to the taxpayer's IRA.
4. The interest on the loan is 7%, all of which goes back to the IRA, *tax-free*. In a taxable account, this would amount to a return of 10%, assuming the taxpayer is in the 30% bracket.

CASE STUDY #4: CLOSED COMPANY STOCK

1. The taxpayer transferred \$100,000 to a self-directed IRA.
2. The taxpayer issued a buy-direction letter to their investment manager to purchase \$100,000 of newly issued community bank stock.
3. The five-year return on the stock was 20% annually. That income went back into the IRA, *tax-free*. If the taxpayer decides to sell the stock, any gain will be a *tax-free* transaction as well.

CASE STUDY #5: TAX DEEDS

1. The taxpayer established an SEP account and transferred \$50,000 from an existing SEP.
2. The taxpayer went to the county courthouse and purchased tax deeds in the name of the SEP. The checks were issued by the SEP to the Taxing Authority.
3. The SEP for the benefit of the taxpayer, collected payments on these tax deeds as they were repurchased by the buyer of the property. The premium that was collected on these tax deeds was *tax-free* income to the SEP.
4. If the tax deed could not be satisfied, the SEP would take title to the property for the benefit of the taxpayer. The sale of this property would be a *tax-free* event.

If you are interested in learning more about owning real estate inside an IRA, please call or email us.

The information contained herein is intended only as a guide.
The Parlante Group is not a tax advisor but has forged strategic alliances with IRS accredited tax firms.

About The Parlante Group

The Parlante Group offers its Naples clients the latest in real estate technology, along with decades of knowledge and experience buying, selling and investing in Southwest Florida property.

Our extensive real estate inventory includes the finest homes and homesites available in Southwest Florida. We offer a superior level of updated, professional real estate services to buyers, sellers and financial institutions in Naples and surrounding Collier County.

The Parlante Group Goes the Extra Mile

You may be surprised that a real estate company is able to provide you with this sort of valuable investment information. This is just one way that the Parlante Group thinks outside the box to provide the ultimate service to its clients.

Another example is The Parlante Group's cutting-edge Web site: NoSnowNaples.com. No other web site offers the in depth analysis of Southwest Florida real estate than NoSnowNaples.com. From free market reports, free home evaluations, mortgage calculators, and relocation packages to property listings and community profiles, The Parlante Group and NoSnowNaples.com provide the information you need to buy, sell or invest in property in Southwest Florida.



The Parlante Group Real Estate • 4851 N. Tamiami Trail, Suite 100 • Naples, Florida 34103

Toll Free: 1-800-562-0233 • Direct: 239-261-9050 • Fax: 239-263-0352 • Email: info@NoSnowNaples.com • www.NoSnowNaples.com