COMPARISON OF YACHT DISPOSAL METHODS

	CONVENTIONAL YACHT PURCHASE	CHARITABLE YACHT DONATION	NET WORTH NEUTRAL YACHT PURCHASE OPTION
PRICE / VALUE RECEIVED BY SELLER	Market Price	Appraised Fair Market Value X Seller's Effective Tax Rate	100% Of The Listed Asking Price
CASH AT CLOSING	Market Price	Cash Value Of Tax Savings 20-39% Of FMV Limited To 50% OF AGI	20 - 100% Of Asking Price Depends On Seller As Client Priorities For Minimum Tax Maximum Wealth
TAX DUE	Depreciation Recapture At Ordinary Income Tax Rate Up To 37% Or Capital Gain 23%	NONE	LITTLE - IF ANY (Generally Expected To Be 5% Or Less)
NET AFTER TAX	Market Price Less Taxes : Any Recapture At Ordinary Income Tax Rate Up To 37% Or 23% Capital Gains	Cash Value Of Tax Savings 20-39% Of FMV Limited To 50% OF AGI	Listed Asking Price Less 5%
IRS AUDIT RISK	Can Increase Or Decrease	Large Charitable Donations Are IRS Audit Red Flags, FMV Appraisals Often Abused, No Statute Of Limitations If IRS Suspects Fraud	Substantially Reduces IRS Audit Risk
SUBSEQUENT BENEFITS	None	Charitable Deductions Subject To 50% AGI Limits Can Be Carried Forward	Seller Receives Full Asking Price For Current Yacht,Future Yacht Ownership Is Cash Flow Positive & Net Worth Neutral, Future Taxes Can Be 5% Or Less Given Current Tax Code
TIME TO CLOSE	Weeks To Months To Find Buyer Willing To Pay Market Price	Weeks to Months Usually After MKT Price Buyer Can't Be Found	Generally 14-90 Days & Largely Dependant Upon Seller