

MILLION DOLLAR MISTAKES: HOW WE SAVED THIS NC MANUFACTURER OVER \$8.5M.



BACKGROUND

A successful mid-sized business with multiple entities engaged our CPA firm for tax strategy and compliance. They suspected they were overpaying in taxes but weren't sure how to uncover missed opportunities. Our deep-dive discovery session uncovered over \$8.5 MILLION in tax savings.

SOLUTIONS

Through our Tax Discovery Process, we identified and implemented the following strategies:

- Switching to Cash Basis Accounting: This allowed them to defer \$275K in income taxes.
- S-Corp Election vs. C-Corp Planning: We identified that by making the S-election, they could shield future income from double taxation, saving \$980K.
- Estate Planning Adjustments: By taking action before the 2025 estate tax exclusion reduction, we helped the owners secure \$4.8M in estate tax savings.
- Optimizing Real Estate Holdings: We advised restructuring the ownership of a key property, reducing tax exposure and allowing for a \$320K tax deduction.
- Implementing a Captive Insurance Company: This allowed the business to shift income into a more tax-efficient vehicle, generating \$1.7M in savings.

CONCLUSION

Our strategic tax planning helped this client not only save millions but also position their business for long-term success.

AT A GLANCE

Challenges

- Using an outdated accounting method that increased taxable income unnecessarily
- Unoptimized corporate structure leading to double taxation risks
- No clear estate planning strategy, exposing millions to unnecessary estate tax
- Missed opportunities in captive insurance for risk management and tax savings

Benefits

- Total Estimated Tax Savings: \$8.5 Million
- Increased Asset Protection and Reduced Exposure to Future Tax Hikes
- Improved Business Structure for Growth & Succession Planning

***Save money, make money, stay out of
trouble, have fun.™***