

David Kupferman was trained at the global CPA firm of KPMG and also has deep industry experience as CFO/Controller;  in the last decade he has specialized in handling very difficult tax controversy cases (tax debts, payroll tax issues, Offers in Compromise, Innocent Spouse appeals, etc...)

*Established in 1994*

After stints as corporate CFO and KPMG Audit CPA and Audit Chair of a large regional nonprofit Kupferman decided to start his own CPA firm.

The firm has always focused on small and growing business owners and moderate-high net worth individuals.  Some Kupferman clients have gone public or had large wealth making 'liquidity events'.

A decade ago Kupferman co-founded Intuit's Quickbooks Pro-Advisors Council and has continued advising Intuit in both formal & informal capacities. He is currently advising on designing the virtual CPA office of the future.

Kupferman is a member of the California Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and also is a Forensic CPA (as member of the American College of Forensic Accounting).

Kupferman speaks 7 languages and keeps athletically fit.

Kupferman's staff have been with the firm a long time and have a combined experience in the CPA field exceeding 60 years.

He is a top rate CPA at [www.yelp.com](http://www.yelp.com)



**SOME THOUGHTS ABOUT SELLER CARRYBACK LOANS:**

Seller carryback loans can result in future year taxable installment payments. Seller carryback loans can really help the Sale and the Seller. While you don’t need to know all the ins and outs you should be aware of the key factors for referral to a tax professional to map it out. Most CPA’s should be able to do this in ½ to 2 hours, depending…

If the seller has no profit on the sale it’s simpler – they just pay taxes on the interest income portion of the installment payments in future years.

If seller has profit then a carryback can help them in many ways as long as one’s careful about it. From your standpoint (as non-tax advisor….) you should ask at least these questions below:

**The basics:**

* Does seller need all the money now? *(they might have nice pension income, they may like the idea of getting an interest rate well over measly bank rates, etc…)*
* Does the seller foresee any big income changes? *(such as pending retirement when their tax rate might be lower….)*
* How’s the buyer’s credit? (s*eller should consider having payments go to a professional loan processor who’ll keep a short leash to protect seller’s interests.*)
* Does seller have profit on the sale?
	+ *If not then when seller receives installment payments each year he’d only have to declare the interest income as taxable.)*
	+ *If seller has profit on the sale then (besides interest income) he’d have capital gains income for each year there’s installment payments. Again, the tax is on the gain (NOT the total payment).*

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**Different ways to skin this cat:**

* Defer Gains?- If the seller has high income now then a carryback can push gains out to later years of lower income *(when presumably installment payments would be taxed less).*
* Speed Up Gains? – However as detailed below sometimes it’s better for the seller to still do the carryback BUT to elect to be taxed NOW in the year of sale.
* Not Always a Gain? -Therefore, doing a carryback doesn’t always mean that they must show the installment sale on their future tax returns, there are ways and reasons for going around that.
* Tax Simplification? - In fact, if they elect to opt out of installment sale treatment then their tax returns will be simpler to do*.*
* Gains Timing? - If seller knows certain key factors then they can manage the timing of when to put show gains. *(for example, if seller knows that in year 2015 his income will drop or that’s when he’ll have a big loss then one could schedule a balloon payment in 2015).*
* Impact on other taxes? – Be aware however that multi-year installment payments can inadvertently increase taxes for many years*. (For example, gains sometimes increase taxability of social security income in turn decreasing deductions, increasing their taxes).*
* Any Wiggle Room? - Ways around the above tax issues include:
	+ 1) have seller consult a tax CPA to review multi-year tax scenarios *(to learn the best timing and frequency of installment payments to be written into leaseback loan).*
	+ 2) seller can “elect” to have all of his gain income taxed in the year of the sale *(so seller gets paid over several years BUT only reports interest income in each of those years).*
* Taxes aren’t everything - Sometimes of course the carryback loan will have minimal impact on seller’s taxes *(but that is not always the case…) or sometimes there are other driving factors . So tax impact is something to be aware of but it need not be a roadblock.*