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**Tax Planning:
Get your Act Together Before the Fact**

By Eugene O'Malley

All business transactions have tax consequences when private families are involved. Many times the tax issues are complex but with the right advisers, proper planning and an integrated approach the desired objectives can be achieved. Attempting to fix tax structuring, after the fact, is a major problem and can be very costly.

The best approach is to break the issues into logical components to ensure that each is properly addressed. Business and tax principles should be established on the specifics of why the transaction should be undertaken, and what are the intended results sought. Each component should be analyzed independently and with respect to its impact on the other components. Nevertheless, all business transactions must be driven by the business economics, not the tax consequences. If tax planning is given the priority, then be prepared for significant business problems to surface, as business issues will; no doubt, be compromised in strategy and execution.

By having a business focus as the primary driver for decisions, the team can deal directly and consistently with increasingly complex objectives and the conflicting obligations that will occur.

The United States Internal Revenue Code is an extremely complicated body of knowledge. Adding the complexities of international taxation leaves planning to the domain of experts.

The final business and tax-integrated structure must co-exist in a logical and transparent way to maximize the synergy of the two separate components.

It is imperative to get you tax advisor involved at the earliest possible time in the life of the transaction. Transactions do not stand on their own for tax purposes, but instead have to be considered as part of an overall plan.

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470 Atlantic Avenue - 4th Floor
Boston, Ma 02210
Tel: 617-443-9500 - Fax: 617-443-9009
Email: contact@cobbleadvisers.com