
Sale of business assets for a \$1

Posted by Tomas P - 2008/05/28 22:17

Client has a yoga studio and has an adjusted cost basis in it of \$9,000. Wants to sell it to another yoga owner for \$1 just to get out of the business and get out of the lease.

Any problems with this? It appear to be arms length????

Thoughts?

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Re:Sale of business assets for a \$1

Posted by law_cast - 2008/05/28 22:46

There are several considerations before the plan be materialized. Hard though.

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Re:Sale of business assets for a \$1

Posted by lex_advoc - 2008/05/28 22:52

It appears casual and simple yet it is complex. Several matters to deal before waging such a move.

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Re:Sale of business assets for a \$1

Posted by Jackie - 2008/05/29 02:33

I think the risk is that the IRS say its not an arms length transaction then they impute a sale price and make you pay taxes on the gain. I would consult with an accountant or tax attorney.

But, the amount that the yoga gym is really worth is small. I cant see the IRS caring about such a small transaction

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