



TAX STRATEGY

Three Surprising Tax Shelter Benefits of Joining an Investment Group in Medical Real Estate

*"Comparison is
the thief of joy."*

THEODORE ROOSEVELT

This statement suggests that making comparisons in your daily life can be harmful and detract from your overall happiness. It holds true when you are comparing your athletic skills to a professional athlete or your individual net worth to a billionaire. But when you are comparing the tax efficiency of your investments to other investment vehicles, this quote can actually be *"Comparison is the giver of joy."*

If you consider that your federal and state income tax can be the largest expense in your household budget (up to **50%** combined in some states), it would be prudent to spend some time finding ways to legally reduce your tax exposure. Here are a few examples of why investing in health care real estate as a passive member partner can help your personal tax liability:

01

Long-term capital gains

Lower tax on long-term holds.

- Value-add leasing takes time, so these are long-term investments by design.
- Gains are taxed at the **15%** long-term capital gains rate.
- Day-trading gains are taxed as ordinary income, up to **37%** federal.

02

1031 exchange

Swap properties, defer the tax.

- A like-kind exchange that meets Section 1031 rules owes little or no tax at the time of the swap.
- Example: a **\$1,000,000** gain can roll directly into a bigger, better property.

03

Cost segregation study

Depreciate faster, owe less.

- HVAC, plumbing and electrical can be depreciated over **5 and 10 years** instead of the standard 39.
- Passive member partners receive their pro-rata share of the loss on personal taxes.



We pursue development and acquisition opportunities to meet growing demand for larger outpatient medical facilities, creating new opportunities for our investors.

LEARN MORE

Visit recentric.com to schedule a meeting with our Managing Partner, Darren Nakos, or call 720-663-1430.