

Khoury Tax Calculation - Without and With Installment Sale

1. Tax due in year of sale of NBJ's interest in RSD (no installment treatment, i.e., what FTB gets if appellants lose this appeal, and the gain is taxable all in year of sale)

Gain on sale	\$17,529,480								
Gain previously recognized	<u>-\$3,269,479</u>								
Total taxable gain	\$14,260,001								
Total tax	\$1,495,438	<i>Total tax due on gain in year of sale (this is the amount of tax due right now if appellants lose and installment treatment is not sustained)</i>							
Detail									
Allocation of taxable gain on NBJ sale to its partners									
Jason Khoury 33%	4,705,800								
Brian Khoury 33%	4,705,800								
Noelle Ludwig 33%	4,705,800								
Loma Verde Inc. 1%	142,600	*appellants each owned 1/3 of Loma Verde, so they are allocated 1/3 of its gain							
*Allocation of Loma Verde inc's gain to its shareholders									
Jason Khoury 1/3	\$47,533								
Brian Khoury 1/3	\$47,533								
Noelle Ludwig 1/3	\$47,533								
Jason Khoury total taxable gain allocation					\$4,753,334				
Brian Khoury total taxable gain allocation					\$4,753,334				
Noelle Ludwig total taxable gain allocation					\$4,753,334				
Tax Due on gain after credits, deductions and adjustments per FTB									
Jason Khoury	\$501,883								
Brian Khoury	\$492,858								
Noelle Ludwig	\$500,697								
Total Tax	\$1,495,438								

STATE BOARD OF EQUALIZATION



Appeal Name: Briann Khoury

Case ID: 867810 ITEM # B5a-c

Date: 4/26/16 Exhibit No: 4.5

TP FTB DEPT Member Harkey Exhibit

