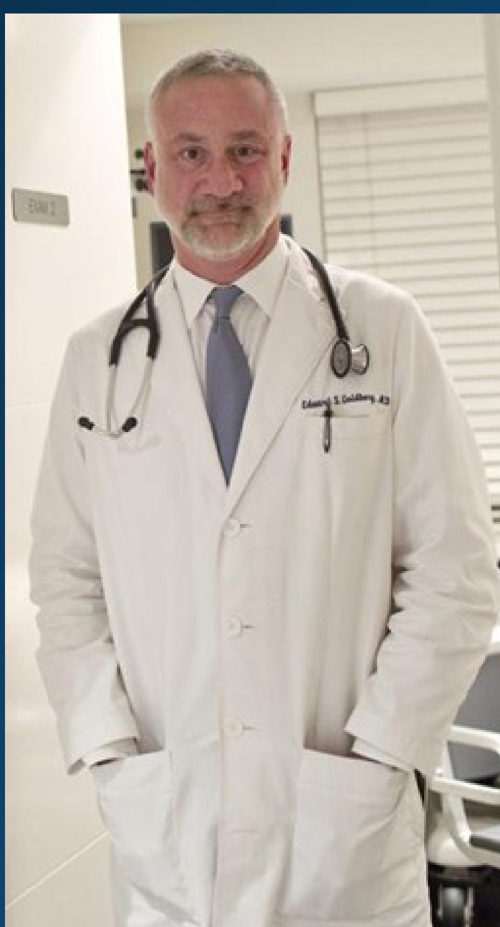
A GUIDE & CASE STUDY FROM

DISRUPTEQUITY
PARTNERS

HOW DOCTORS PAY LITTLE OR NO INCOME TAX

TAX MINIMIZATION FOR HIGH-INCOME DOCTORS



HOW BILLIONAIRES
PLAY THE GAME

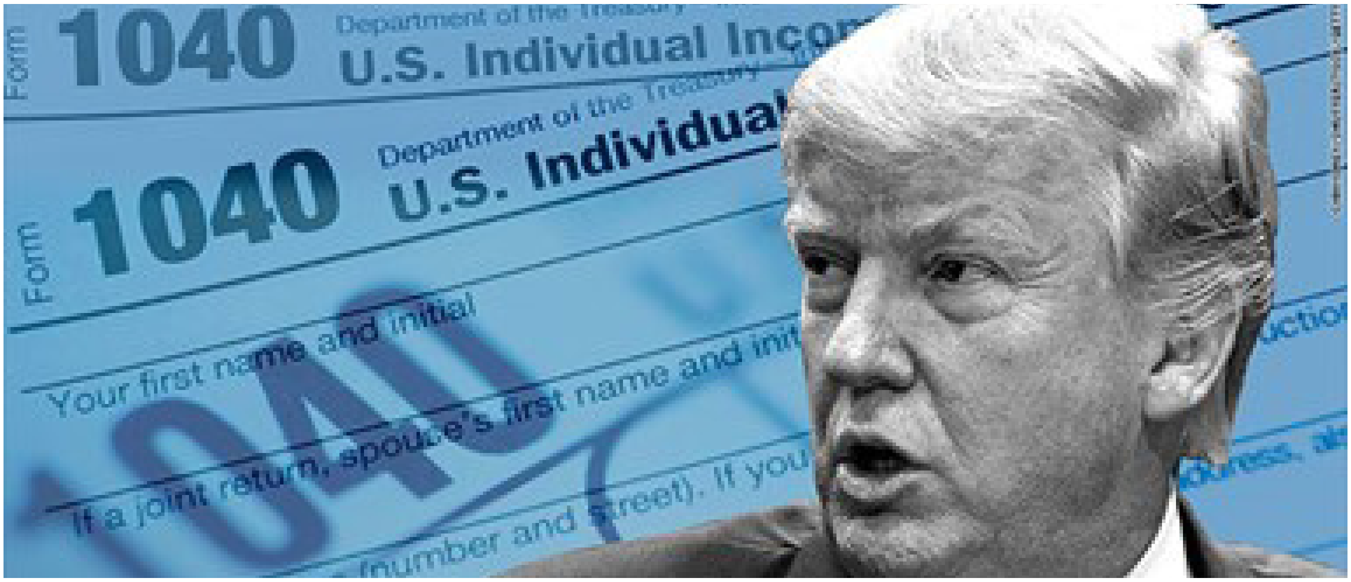
As a doctor, you are painfully aware of the burden of high income tax rates that accompany your lucrative profession.

However, there are strategic (and legal) moves that you can make in the chess game against the IRS, which can reduce or even eliminate having to pay taxes altogether – sometimes even for life.

In this guide, we will delve into some of the most powerful and most effective tax strategies that doctors can use to pay little to no income tax.

Let’s be honest for a moment - nobody wants to pay more taxes than they have to, and everyone wants to take every opportunity to reduce their taxes. Most people don’t have the time, expertise, and resources to learn all of the tax code secrets. However, billionaires do have those specific resources and tax experts; so let’s begin our tax-elimination adventure by examining how billionaires do it.

WHAT YOU'RE GOING TO LEARN



"...It is actually even more patriotic to not pay taxes."

According to an article in ProPublica, Billionaires Jeff Bezos, Elon Musk, Warren Buffett and others often manage to pay no tax at all. And when they and other billionaires do end up paying something, it often comes out to a measly 1-2% tax rate.

Former President Donald Trump even famously paid no income tax for over a decade.

Paying little to no income tax can be a powerful tool to skyrocket your net worth and wealth, especially when you consider that other Americans pay an average tax rate of 25%.

The question we're all probably wondering is how in the world is it possible for billionaires to pay so little in taxes? And more importantly, is it possible for non-billionaires to take advantage of these tax strategies, and if, so how?

Could these billionaires be doing something illegal? And if not, is what they are doing even ethical?

If you're anything like me you were raised being sold the idea that paying taxes is actually patriotic and honorable. We were told that paying taxes is something we should even be proud to do. That it was something a good boy scout or girl scout should do.

And I used to actually believe this, but not anymore. As I've become more educated, learned more about taxes, and understood how and why the US Tax Code is written the way it is, I've come to the conclusion that it is actually even more patriotic to not pay taxes (legally, of course).

How could this be? Well, let's break down what happens when you pay taxes and what it means.

The purpose of taxes existing is so that the government can have funds to provide valuable services to constituents and citizens that are greater collectively than what each taxpayer could obtain on their own. Now whether or not those services are actually valuable is up for debate, but that's a whole other conversation we're not going to get into.

The key thing to understand is that whenever you pay taxes, you are effectively giving money to the government today so that they can provide valuable services to the constituents and citizens. And if you pay your taxes today (i.e. in the present time) then your country/government can only make use of the funds that it receives today.

So now it's time to ask ourselves the question of why would the government write the tax code, such that it would actually receive less money today?

Is it because our government doesn't like money? Of course that can't be it.

Is our government just some altruistic being? That's equally hard to believe.

So then what could it possibly be?

Ready for the answer?

It's because the government has a long-term perspective and wants people to invest in the country and develop it, such that our nation can be larger, more productive, and more powerful than it is today.

And the only way the government can get people to take that sort of action and make investments in their country, is to provide incentives to people who do so.

In other words, the way the government can get you to take the actions it wants you to take, is by financially incentivizing you to do so.

And one of the best examples of this, which also happens to be one of the most common strategies used by billionaires, as well as the vehicle that has created more millionaires than anything else, is investing in real estate.

The government wants you to develop the raw and unused land that's all over our vast country to build it into something functional and more productive. And it also wants you to re-develop and maintain already developed land so that it stays functional forever, and doesn't become decrepit and unproductive.

But the government also knows that people are hesitant to take such big risks with their money when in reality nobody can predict the future or know what's going to happen. So the government will provide financial and tax incentives in order to reduce your risk and help encourage you to make the desired investment.

And if you extend this to look years into the future, what you end up with is a country that is more developed, has grown, is more powerful, and can now also produce way more tax revenue for the government than before.

This is why the US grants so many benefits for investing in real estate, and why there are so many ways to legally reduce your taxes as a real estate investor.

And now that you understand the big picture for why the tax code is designed in a way that favors real estate investment, it's time to get into the juicy stuff and explain specifics about what options exist for YOU to be able to reduce your taxable income as a doctor.

What we'll cover next...

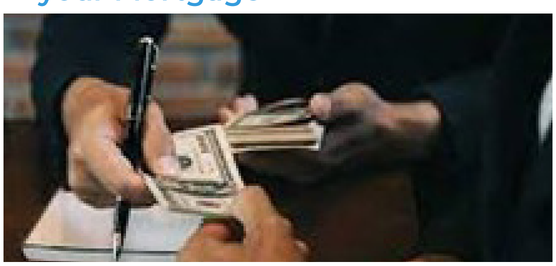
- The 5 pillars of real estate and why we prefer investing in real estate over any other asset
- How you can reduce this year's taxes by nearly 30 years' worth of tax deductions
- How you can go about eliminating taxes completely from your job as a W2 employee or from your business income
- The difference between Tax Deferral, Tax Avoidance, and Tax Evasion (And how you can defer taxes literally for longer than you'll be alive)
- How you can become a real estate investor and acquire properties and all the benefits associated with it, without ever having to deal with tenants, maintenance requests, or any other issues
- How you can invest with the #1 Most Reputable Real Estate Company in the country (according to the World Economic Forum)

TYPICAL PROCESS FOR
REAL ESTATE INVESTING

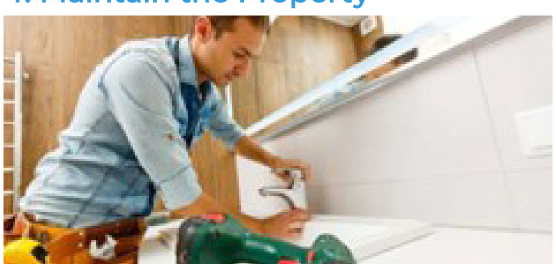
1. Buy Real Estate

2. Collect Rental Income

3. Use the Rental Income to pay off your Mortgage



4. Maintain the Property



5. Write off the Depreciation of that Real Estate on your Taxes, along with any Operating Expenses of that Real Estate

6. Allow the Property to Appreciate in Value

7. Some day, sell the Property for a significant Pay Day, or use the profits to buy additional Real Estate

As you can see the entire process is quite simple, but definitely not easy.

For many people, the idea of buying real estate is as far as they ever get, and they never pull the trigger on making a purchase because they are scared of having to become a landlord and deal with the hassles of managing a property or dealing with tenants. But luckily, this is not the only way (or even the best way) to play the game of real estate, and later on in this article, we'll show you how you can own real estate without spending any time at all on it!

But first, let's talk about the...

5 PILLARS OF REAL ESTATE

1 RENTAL INCOME

Rental income refers to the income you receive from a tenant in exchange for living in your property. After paying off any expenses associated with the property, any remaining rental income is profit that you can use however you please.

And best of all, it reoccurs each and every month like clockwork!

2 MORTGAGE PAYDOWN

Unless you bought your property using all cash, you will likely have some sort of a mortgage/loan on the property. You will of course have to make payments on that loan each month, but the beauty is that the funds for those payments don't come out of your own pocket. Rather, as the tenant pays their rent, you can take a portion of that rent to make the loan payments.

So your loan gets paid by the tenant, and as that is done, your equity in the property increases each month.

That equity is real money that you can use to cover any expenses you may have or take a loan out against it.

3 DEPRECIATION

Since real estate is a physical asset, it doesn't exist forever once its built. Unless you make repairs and remodel the property periodically, then the condition of the property will deteriorate over time. This is called depreciation.

And even though it sounds like a scary word, the property itself actually doesn't depreciate in value...it just means that the property will depreciate without maintenance. And the IRS understands this and therefore allows you to deduct the value of your initial purchase over the number of years that the IRS expects the property to be usable (which, for single family homes, is 27.5 years).

Depreciation is actually one of the most magical parts of real estate, especially for doctors like you, because it can be used to reduce your taxable income by the amount of the depreciation. And for high earners like you, that is one of the most powerful ways that exist for you to increase your net worth.

4 APPRECIATION

Every property is surrounded by 'stuff'. And if the property is surrounded by stuff that are considered attractive, more people will want to move to that area. And when that happens, then in accordance with the law of supply and demand, this increased demand will increase the value of the properties in the area.

So by investing in a property that is in a good location, then over time, the value of the property will appreciate because more people will want to move there. And in addition to that, a property will also naturally appreciate in value in line with inflation in the market.

And as the property appreciates, the difference between that property value and the mortgage balance you owe is once again real money that increase your net worth and can be used to support your expenses and lifestyle.

5 LEVERAGE

If you take out a loan on a property then you are able to put a portion of your money into something, but control something that is worth substantially more than the amount you put in. That is the concept of leverage. And the less money you put in relative to the value of the property, the greater the leverage you have in the deal.

While leverage needs to be respected, using it properly can allow you to generate substantial returns on your money. For example, if you spent $100,000 to buy a property that's worth $1 Million, and over the next 10 years that property then appreciates to $1.5 Million... then through the power of leverage, the 50% increase in property value [($1.5M - $1M) /$1M] means you actually generated a 500% return on your initial investment of $100,000 [($1.5M - $1M) /$100K]!

There aren't many investments that make you 5x your money in just a few years (just from appreciation and not even including the benefits from the other 4 pillars of real estate), and a big reason is because real estate has better leverage terms than almost anything else out there. In real estate you can leverage up to 96.5% of your property purchase through a loan.

Compare that to the stock market where loans (margin trading) are almost never used, and if they are, the terms are usually expensive and risky.

Furthermore, taxes on stock investing are much harsher than that of real estate.

How you can deduct nearly *30 years worth of tax deductions... this year*

Whenever you buy real estate, you are usually buying a physical building (i.e. the bricks, wood, concrete, etc.), but more often than not, that building also has ‘equipment’ in the property (such as AC units, ovens & stoves, dishwashers, water heaters, etc.).

Now, as mentioned earlier, the IRS allows you to depreciate the value of your purchase over the usable life of the property, and the IRS states that 27.5 years is the average lifespan of a physical building.

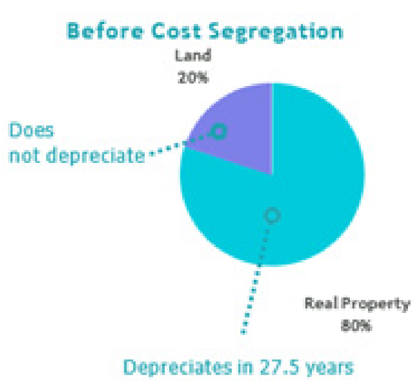
However there is almost no chance that the equipment inside of the physical building will last that long! What AC system or dishwasher do you know of that has lasted 27.5 years?

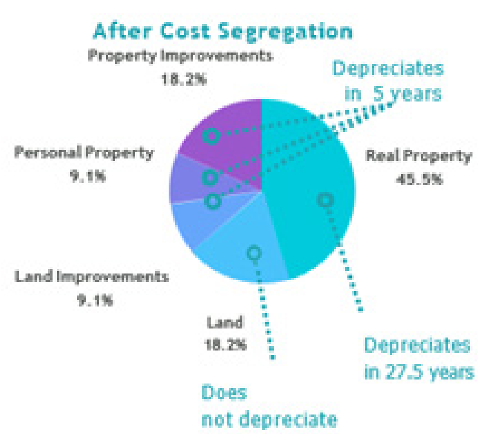
So how does the IRS account for the difference in life spans between the physical building and the equipment contained within it? Through a rule called Cost Segregation! As the name implies, Cost Segregation allows you to segregate the costs of the different components of real estate into their respective lifespan categories.

So, for the physical building, you can depreciate the value of that over 27.5 years. And then for the equipment inside the building, you can depreciate those over their respective lifespans (e.g. 5 years for dishwashers, 7 years for lights, 3 years for AC units, etc).

Instead of spreading out the costs and depreciating them over a period of almost 30 years, you can choose to depreciate them over a shorter time period. This is made possible by the accelerated bonus depreciation rule, which allows you to take the depreciation that you would have otherwise written off in future years and accelerate it to be written off in the current year. This is also known as Accelerated Bonus Depreciation.

And since the core rule of Finance is that ‘a dollar today is worth more than a dollar tomorrow’, by writing off more depreciation in this current year, you get to keep more high-value money today, rather than lower-value money in future years.





The 1031 Exchange

One of the most widely known vehicles for investing in real estate is the 1031 exchange. It can be a very powerful tool which allows you to take the money you invested in one property, grow the value of that investment money, and then take those profits and invest them in future deals without ever paying taxes on the profits that you generated.

The profits earned from real estate investments can be deferred to future years when you decide to no longer invest the money. However, smart real estate investors usually reinvest the money to increase its value, and then pass on the property to their offspring or next of kin. This way, the property is inherited at a higher, already-appreciated value, and the beneficiaries do not have to pay taxes on it.

There are certain rules and limitations of this vehicle, but if you use it properly it can build wealth for you and your family for generations to come.

How you can invest in Real Estate without ever having to deal with Tenants, Termites, or Toilets

Everything we've talked about so far no doubt sounds very attractive. You can achieve a high return on your investment by investing in real estate. But you may have concerns about what happens if things go wrong, which is a very valid concern and definitely a real possibility.

The fact is that what you are best at is being a doctor, and that's why it's the profession you've chosen and work hard at every day. But understanding how to own and operate real estate, manage tenants, properties, and problems is a full time job of its own, and you probably can't compete head-to-head with the big companies who have four teams of experts dedicated to this profession.

Real estate syndication is a useful strategy for those who want to invest in property without taking on all the responsibilities involved. Essentially, instead of buying a property alone, a person or company can pool their money with multiple others to invest together as a team. The syndicator would handle all the day-to-day tasks, such as finding, buying, managing, and operating the property, while the investors would only contribute money and receive a return on their investment. This way, investors can still earn money from property ownership without having to deal with the headaches of real estate management.

Syndication allows investors like you to purchase much larger properties than they could purchase on their own, allows you to diversify your risk across multiple properties, and allows you to be a passive investor while the syndicator handles the day-to-day components of the deal.

This is one of the most powerful vehicles for passive investing that exists.

WHAT'S NEXT?

HERE'S HOW YOU CAN INVEST WITH DISRUPT EQUITY

Visit the website www.disruptequity.com/invest, scroll down on the page and sign up to let us know where you would like us to send you information about our newest investment opportunities!

Or just shoot us an email at invest@DisruptEquity.com and our team will take care of you. And since we believe that an educated investor is a good investor, we welcome you to ask us any and all questions that you may have!

If you've gotten any value out of this white paper then we encourage you to spread the word and share this with anyone else who you think could benefit from these concepts and learning how to reduce their taxes.

We sincerely appreciate your time and attention, and look forward to hearing from you soon!

READY TO BUILD A DIVERSIFIED PORTFOLIO THAT SUPPORTS THE NEEDS OF YOUR LIFE AND YOUR FAMILY?

Contact us at invest@DisruptEquity.com and let's craft a personalized strategy that aligns with your financial goals!

WHO IS

DISRUPT EQUITY?

Disrupt Equity is a commercial real estate syndicator focused on Multifamily Real Estate and has earned the title of being the #1 Most Reputable Real Estate Investment Company. The company has invested in nearly $1 Billion of Multifamily Real Estate – all done through syndicating with passive real estate investors such as yourself and other doctors.

To-date we have produced an average of 50.8% annual net returns to our investors (this is cold hard cash in their bank account, and NOT some hypothetical target we are just hoping for).

We invest across the US with a special focus on the Sunbelt region of the US where the economy and population growth exceed the rest of the country. We analyze thousands of properties per year to find deals that are hidden diamonds in the rough that we know we can produce a great result with – for our investors and for our tenants alike – because we believe in producing win-win situations where everybody is better off.

We are vertically integrated and have our own in-house property management team of over 200 people to make sure our properties are managed well and operating profitably. We even have special insurance and financing relationships which help to insulate us from the broader rate spikes that affect the market, and produce better returns for our properties.

Our leadership team has built successful careers in Silicon Valley, as well as Wall Street, and is on a mission to build the real estate investment company that they wish existed, that puts investors first before even themselves.

Our company's in-house custom-developed technology, our vertically-integrated infrastructure, and our track record have earned us the trust of thousands of investors including many other doctors and health professionals such as yourself, and we welcome you to join them in producing a strong and reliable return with your invested capital.