

Who wants to buy that next
rental property sooner?
Find out how **you can**, here.



One of the primary desires of many realtors and other professionals is to purchase real estate properties to rent out. The allure of monthly rental income to pay the mortgage and long-term property appreciation is an appealing way to build wealth... especially for those whose business it is to know which properties are best!

Many realtors have not yet discovered that a Personal Services Corporation can get them to that next rental property sooner. Consider realtors Adele, a sole proprietor, and Brian, who is incorporated; both make \$100,000 in commission after expenses annually and want to know if they increased their income by 25%, how long before they could purchase a \$500,000 rental property (assuming 20% down)?

As a sole proprietor every additional dollar of income is taxed at her full marginal tax rate of 43.41%. If Adele earned \$25,000 more in net commissions per year, Adele would have \$14,148 after tax dollars to invest in a rental property. Assuming that the funds are held in a non-interest-bearing bank account, it would take Adele just over 7 years to accumulate the \$100,000 down payment.

Within Brian's corporation, the small business tax rate is 12.5%. Brian can net \$21,875 in after-tax corporate funds annually. Assuming that Brian held the corporate funds similar to Adele, Brian would have the capital to buy his investment property 2 ½ years sooner than Adele.

Are you interested in learning more about how you can buy that rental property sooner? Would you like to learn other strategies available to incorporated professionals? If so, you can set up an appointment at <https://calendly.com/mjhfinancial/meeting>. After all, wouldn't it be nice to achieve your goals sooner?