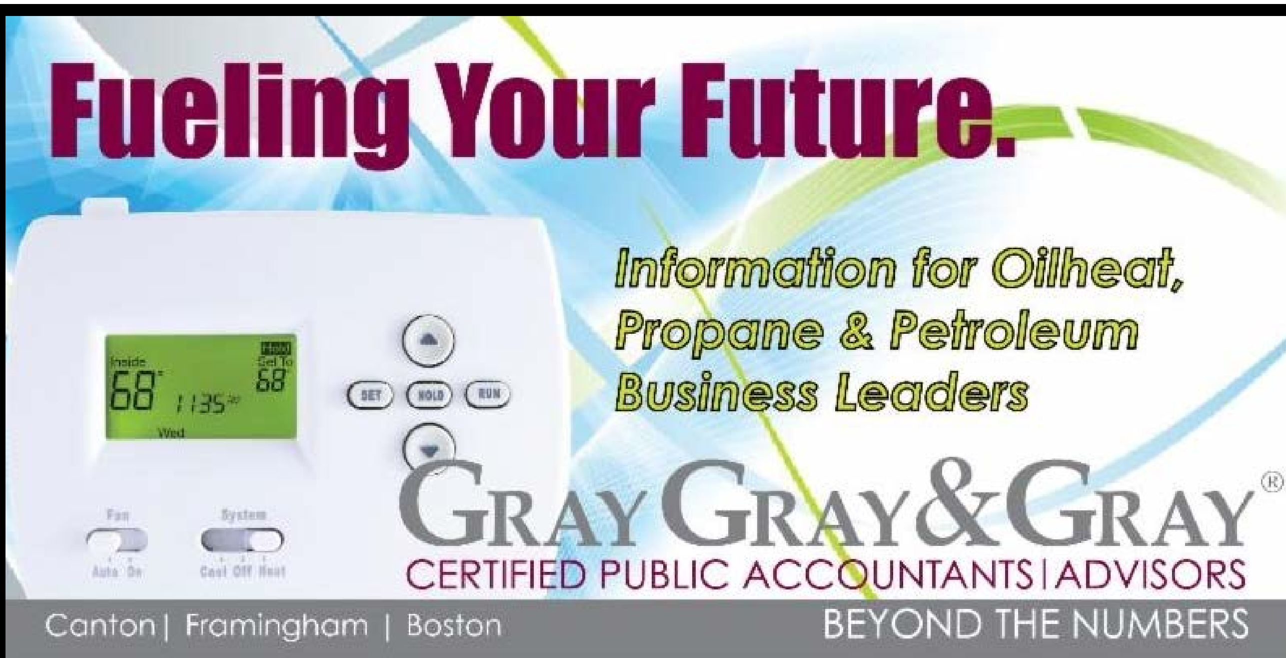


November 2015 Issue No. 37

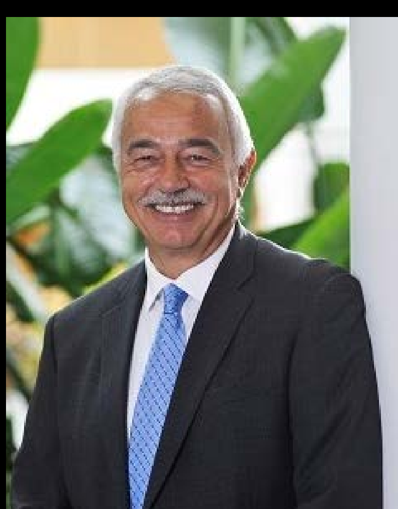
It takes more than numbers.

Gray, Gray & Gray is here to help you "Fuel Your Future" by going beyond accounting services. With 70 years in the energy business, we go beyond the numbers by delivering insight, guidance and knowledge to our energy clients so they can achieve growth and profitability.

Oil & Energy Magazine Features
"Avoid Double Taxation When You Sell Your Company"

by C. Joseph Ciccarello, CPA, MST

Managing Partner, Gray, Gray & Gray, LLP



The successful rebound of the retail energy sector over the past two years has led to a surge in merger and acquisition activity. Many dealers are looking to exit the business while their companies can command top dollar, and others are just as eager to acquire suddenly profitable businesses.

Our recent industry survey found that 17 percent of oil company owners are considering selling their business, while 35 percent are looking to acquire another company. (Another 22 percent are hoping to keep their business in the family by making a transition to the next generation, which opens up another set of challenges related to financial and tax issues.)

It may be a "seller's market" right now, but, like the winter-weary streets across the Northeast, there are potholes on the road to riches.

Our firm recently completed a valuation for the owner of a retail oilheat company who is contemplating selling his business. Happily, our valuation was right in line with the owner's expectation. The selling price in today's market would bring a significant windfall. But we had to break some bad news to the owner: He is unlikely to pocket nearly as much money as he hoped. Here's why.

Because the company is structured as a C Corporation, the owner will almost certainly be hit with a "double tax" if the Corporation sells the assets of the business. Legally and for income tax purposes, C Corporations and the owners are treated as separate entities, with their own tax obligations. The company will initially be taxed on the sale of the assets. Then the owner will be taxed again on the proceeds he receives when the corporation distributes the cash to the owners. Depending on the final sale price and several other factors, the net proceeds after taxes could be cut in half.

(All this assumes the most likely scenario for the sale: that the buyer wants to buy the assets of the business, and not purchase the stock, which can come with multiple liabilities.)
As a result of this grim scenario, the owner is reconsidering his plans to sell the business. And, in case you think this was an isolated situation, this was the second oil company owner in as many weeks that came to us facing the same problem.

Click here to read the full article.

Are You Planning to Attend Gray, Gray & Gray's 2015 Year-End Business Planning Seminar?

Don't Miss Out! Gray, Gray & Gray's 2015 Year-End Business Planning Seminar will be like none other...

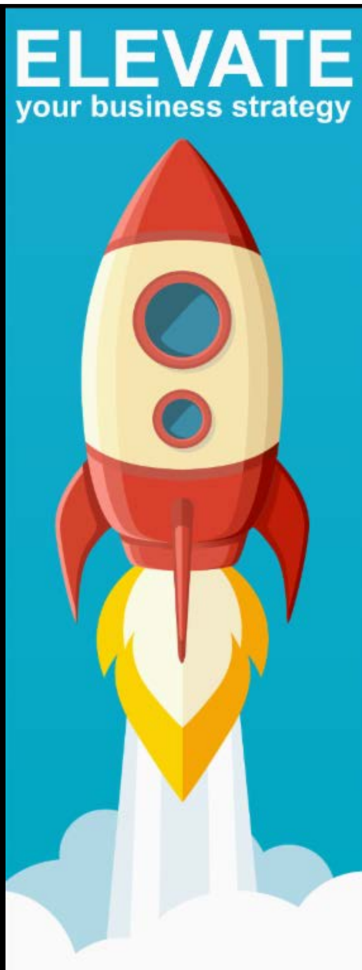
Sure, we'll cover changes in the tax landscape that will affect your business and personal situations, but the focus will be on providing you with the strategies you need to elevate your business in 2016.

We've looked at our close working relationships with over 4,000 clients and identified the current trends of what the best and brightest companies are doing. We'll share these best practices with you! **Register now to learn tactical tips and strategies to plan for a successful year ahead.**

Seminar will take place at Gray, Gray & Gray's office in Canton, MA. Space is limited, so be sure to reserve your spot early.

November 4, 2015 *Exclusively for clients*
November 5, 2015

Click here to learn more about the discussion topics and register now.



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