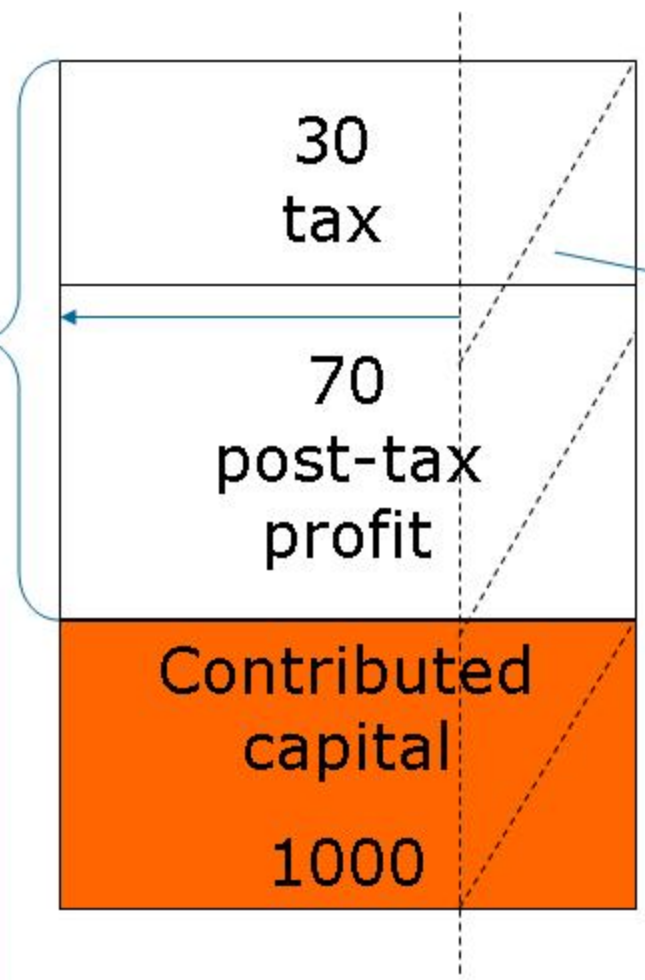


**Owner A sells out to Owner B prior to liquidation for 1100**

Owner A on 47% personal tax rate pays 47 capital gains tax (CGT)

Tax on 100 income:	
Entity	30
Owner A	47
Owner B	17
	-47
	-----
	47
One layer at Owner A's tax rate over time	



1100

Owner B on 47% pays extra 17 tax

less

47 tax saving from 100 CGT loss

1000

Over time, a single layer of tax applies

**On liquidation**, all post-tax income and capital go to Owner B

**Liquidation of entity involving a capital loss**