

**TAX WORKSHEET FOR MANAGERS**  
**CASH FLOW PICTURE OF THE BUILDING, YEAR ONE**

|                             |     |        |   |    |                              |
|-----------------------------|-----|--------|---|----|------------------------------|
| Gross Scheduled Income      | \$  |        |   |    |                              |
| Vacancy Factor 2 %          | (\$ | )      |   |    |                              |
| Gross Operating Income      | \$  |        |   |    |                              |
| Expenses of Operation 30%   | (\$ | )      |   |    |                              |
| Net Operating Income        | \$  |        |   |    |                              |
| New 1st Trust Deed Payments | (\$ | )      | = | \$ | @ 7 % Int., for ___ Yrs.     |
| New 2nd Trust Deed Payments | (\$ | _____) | = | \$ | _____ @ % Int., for ___ Yrs. |
| Cash Flow                   | \$  |        |   |    |                              |
| Cash Down Payment           |     |        |   | \$ | = % of Purchase Price        |
| Purchase Price              |     |        |   | \$ |                              |

**NET TAX LOSS OR GAIN, YEAR ONE**

|   |     |                       |              |
|---|-----|-----------------------|--------------|
| Gross Scheduled Income                      | \$  |                       |              |
| Less Vacancy Factor                         | (\$ | )                     |              |
| Less Expenses of Operation                  | (\$ | )                     |              |
| Less Interest on Loans or T.D.'s            | (\$ | )                     |              |
| Less Annual Depreciation                    | (\$ | _____)                | <sup>1</sup> |
| Total Deductions                            | (\$ | )                     | (\$          |
| Net Tax Loss or Gain - - - - -              |     |                       | (\$          |
| Net Tax Loss or Gain X Marginal Tax Bracket | =   | Estimated Tax Savings |              |
| \$ X _____%                                 | =   | \$ _____              |              |

**TOTAL RETURN, YEAR ONE**

|                       |    |
|-----------------------|----|
| Cash Flow             | \$ |
| Tax Savings           | \$ |
| Equity Build-Up       | \$ |
| Appreciation          | \$ |
| Total Return Year One | \$ |

**RETURN, YEAR 1 AS A PERCENTAGE OF DOWN PAYMENT**

$$\frac{\text{Total Return}}{\text{Cash Down Payment}} = \text{Return on Down Payment} = \frac{\$}{\$} = \%$$

$$\text{Return on Down Payment (Actual Down Payment)} - \text{Return on Gross Equity (Value - Loans)} - \text{Return on Net Equity (Value - Loans - Exp. of Sale)}$$

<sup>1</sup>

Currently use 27½ Years for Residential Income Property and 39½ Years for Commercial Income Properties. Use depreciation only on the Improvement Value, not the Land.