

# Mergers and Acquisitions Tax Services



*Are you selling the shares of a corporation?*

*Does the corporation have tax attributes, such as net operating loss carryovers, amortization associated with intangibles assets or tax credits?*

## Tax Attribute Valuation

### Increase your corporation's purchase price and negotiating power

The sales price of a corporate entity is frequently based solely upon the EBITDA generated by business operations. This computation, however, does not consider the significant value inherent in a corporation's tax attributes, such as net operating loss (NOL) carryovers, future amortization of intangibles, research and development credits or foreign tax credits.

#### Maximize the price of corporate shares by valuing tax attributes

You may be able to utilize the value of tax attributes to increase the purchase price for the shares of the corporation, or to minimize escrows, indemnity buckets and other burdensome provisions generally included in a stock purchase agreement. McGladrey professionals can measure the present value of corporate tax attributes, including:

- NOL carryovers (even after a change in control)
- Future amortization of intangibles
- Future depreciation of property, plant and equipment
- Research and development credits
- Foreign tax credits

Highlighting the real, inherent value of corporate NOL carryovers, intangibles and tax credits can directly affect sale negotiations. It is important to seek advice from experienced mergers and acquisitions tax professionals who can provide an expedient, yet thorough, analysis of the present value of your corporation's tax attributes.

#### Maximize your negotiating leverage

Tax attributes are an asset of your company, just as property, plant and equipment are assets.

However, tax attributes are an asset that many buyers do not automatically consider. Demonstrating the real and reliable tax savings that can be generated by the utilization of the corporation's tax attributes increases the value of your corporation, and thus, your negotiating leverage.

#### Corporate tax attributes have real value that can be measured

By modeling the projected utilization of your corporation's tax attributes, we can demonstrate that your corporation's tax attributes have significant value, which should be included in a buyer's valuation of your corporation.

Our dedicated mergers and acquisitions tax services professionals have the experience necessary to help identify opportunities to maximize utilization of tax attributes.

That's the power of McGladrey. The power of being understood.<sup>SM</sup>

**888.811.1023**  
**[www.mcgladrey.com](http://www.mcgladrey.com)**

The information contained herein is general in nature and based on authorities that are subject to change. McGladrey LLP guarantees neither the accuracy nor completeness of any information and is not responsible for any errors or omissions, or for results obtained by others as a result of reliance upon such information. McGladrey LLP assumes no obligation to inform the reader of any changes in tax laws or other factors that could affect information contained herein. This publication does not, and is not intended to, provide legal, tax or accounting advice, and readers should consult their tax advisors concerning the application of tax laws to their particular situations. This analysis is not tax advice and is not intended or written to be used, and cannot be used, for purposes of avoiding tax penalties that may be imposed on any taxpayer.

Member of the RSM network of independent accounting, tax and consulting firms.

© 2013 McGladrey LLP. All Rights Reserved.

