

PPLI with IDF vs. Other Real Estate Structures

	Trust with LLC	Dual Corporation	Individual & LLC	PPLI with IDF
Capital gains tax on gain	20%	35%	20% (if over \$400,000, 15% or less)	0%
Medicare tax at 3.8%	Not necessarily	No	No	0%
Files tax returns in personal name	Not necessarily	No, but need to disclose foreign shareholders and related party transaction	Always	No
Excess interest expense carries forward to offset gain from sale.	Yes	Yes	Yes, but limited	
30% withholding tax on related party interest payments	No	Yes, unless treaty jurisdiction lender	No	No
Limits on deductibility of interest expense	Yes (90%)	Yes (60%)	Yes (80%)	No
Estate tax protection	Yes	Yes	No	Yes
Distribution creates additional withholding	No	Yes	No	No