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Case Study : Dale - Asphalt & Crushing Company Owner

How One Blue-Collar Owner Saved Over \$45
Million in Future Taxes

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BACKGROUND

Dale is a 54 year-old owner of a multi-location asphalt & gravel operation with 80 employees, two gravel pits, three crushers, and an asphalt plant. His business was thriving - but Dale had a problem. His child didn't want to take over the company, and he was sitting on a ticking tax time bomb.



***This is not tax or legal advice. Always consult qualified tax, legal, and financial professionals. Always conduct your own thorough due diligence. Sky Tower Counsel, LLC is not responsible for any of your decisions.**

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THE PROBLEM

Dale's success came with a heavy price:

- *Massive annual income tax bills*
- *Estate taxes looming if something happened to him*
- *A future capital gains tax nightmare if he ever sold or passed down his business*

Dale wanted to protect his life's work, reduce taxes legally, and structure his business for maximum flexibility - even if no one in the family took over.



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509-434-8451



admin@skytowercounsel.com

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THE GAME PLAN: BLUE-COLLAR ADVANCED TAX STRATEGY

We used a layered approach, combining multiple high-level strategies tailored for business owners in construction, crushing, and manufacturing. Here's a breakdown:

1. Blue-Collar Business Support Company - BCBSC (Management Company)

Shifted admin, leadership, and strategic functions to a separate entity for better tax treatment and efficiency.

2. Captive Insurance Carrier

Allowed Dale to insure specific business risks and legally deduct premiums — turning expenses into wealth-building.

3. TPRs - Tangible Property Regulations

Leveraged IRS repair vs. capitalization rules to deduct more operational costs upfront, especially on equipment and facility maintenance — instead of depreciating them over years.

4. Cost Segregation Studies

Accelerated depreciation across equipment and real estate, creating large up front deductions.

5. Defined Benefit Plan

Created large pre-tax retirement contributions for Dale, allowing him to defer taxes while building a retirement nest egg far beyond traditional plan limits.

6. Augusta Rule

Allowed Dale to pull money out of the company for personal use — tax-free.

7. Top Talent Retention Plans & Profit Sharing Plan

Helped Dale retain key employees, reducing turnover and boosting morale.



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8. Tax Method Changes

Repositioned how income and expenses were recognized to align with Dale's goals.

9. Charitable Lead Trust & Private Family Foundation

Allowed Dale to give back on his terms while minimizing estate and income taxes.

10. SLANTs (Specialized Leveraged Asset Non-Grantor Trusts)

Protected future appreciation and removed assets from Dale's estate without gifting limits.

11. Complex Children's Trust & Domestic Asset Protection Trust

Protected assets for future generations, even if Dale's child wasn't taking over the business.

12. Private Placement Life Insurance (PPLI)

Created a tax-free growth engine for investments with zero income or capital gains tax inside the policy.



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THE RESULTS

- Income Tax Savings of **\$2.1 Million**
- Estate Tax Savings of **\$11.8 Million**
- Future Capital Gains Tax Savings of **\$32 Million+**
- Asset Protection: Structured for lawsuits, creditors & estate **protection**
- Legacy Planning: Built a future-proof **wealth transfer plan**, even without a successor in the business

“I Built this company with my hands - but it was the **tax planning that helped me protect it with my head. I thought estate taxes were just something rich people worried about. Now I know better - and I’ve got a plan.”**

~Dale

WANT RESULTS LIKE THIS?

These strategies aren’t just for billionaires. If you run a blue-collar business and are tired of losing your profits to taxes, it’s time to take a smarter approach. Let’s build a plan around your goals — legally, ethically, and with the tax code on your side.





SKY TOWER COUNSEL

Get in **TOUCH**

PHONE

509-434-8451

EMAIL

admin@skytowercounsel.com

WEBSITE

www.skytowercounsel.com

ADDRESS

**1677 E Miles Ave. Suite 200
Hayden, ID 83835**