

Buy Replacement Residence
Cash Flow Analysis

Below is an analysis of the cash flow resulting from the purchase of the replacement residence in year 21.

Year 21

	857,903	Proceeds from sale of principal residence		857,903
-	200,000	Cost basis of principal residence		
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	657,903	Gain from sale of principal residence		
-	500,000	Less excludable gain		
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	157,903	Taxable gain from sale of residence		
		25.00% Capital gains tax	-	39,476
		Mortgage balance payoff of principal residence	-	0
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		After tax cash flow from sale of principal residence		818,427
		Cost of replacement residence	-	400,000
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		Cash flow reinvested in Retirement Savings		418,427