

Cost Seg 101

[How Benefits are Realized by Commercial Property Owners]



The table below provides an **EXAMPLE (only to explain CONCEPT)** of how a Commercial Property owner realizes benefits when utilizing the accelerated depreciation (identified by an engineering based **COST SEGREGATION STUDY**) because the increased depreciation lowers the overall taxable income. The lower income, means lower taxes to be paid...which means **MORE MONEY** stays in your pocket!!

The assumptions below include:

- Tax Rate of 40%
- The Cost Segregation Study identified **30%** of real property to be reclassified to personal property, changing the asset life from 39 to 5, 7, or 15 years.

Property Value (example)	2,000,000
Add'l Depreciation from a Cost Segregation Study (30%)	600,000
Assumed Tax Rate	40%
TAX Benefits	\$ 240,000

NOTE: a single IRS form (**3115**) is all that is required to realize these benefits immediately.

No need for restatement or amending tax returns.

Contact Us for More Information



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