



EXECUTIVE SUMMARY

SUMMARY

This document is intended to provide a high-level summary on the subject of Cost Segregation, which is a financial strategy that large Commercial Property investors (*think Trump*) and Major Corporations have been using for years. This strategy is now available to the small to medium/large size commercial property owners who have historically been **Underserved** and basically **Unaware** of what is "rightfully" theirs in the area of Cost Segregation.

WHAT IS COST SEGREGATION

It is an IRS defined and sanctioned approach that requires skills and expertise in Construction Engineering and Taxes. The process allows Commercial Property owners to **REDUCE FEDERAL TAXES** by accelerating the depreciation on their properties by separating real (essential) and personal (non-essential) components of building cost and reclassifying the depreciation on the personal items from 39 years to 5, 7, and 15 years.

Accelerated depreciation ⇨

Reduced Taxable Income ⇨

Increased Operating Cash Flow (*immediately*)

Providing benefits that are potentially **TENS or even HUNDREDS OF THOUSANDS OF DOLLARS**. With current IRS rules, the owners can take advantage of these benefits immediately by filing a single form (Form 3115), which does NOT require restatement or amending tax returns.

HOW TO QUALIFY

- Own Commercial Property with valuation of \$500k or higher (or leasehold tenant improvements of \$350k or higher)
- Pay Federal Income Taxes
- Operate as a For-profit entity
- Plan to keep property for at least one more year

If the answer is YES to the above questions, then a **FREE** assessment of the owners property will be performed where we outline, in advance, the benefits to be expected...along with a Return-on-Investment (ROI) that should truly "*impress*."

If the numbers do not make sense, or we cannot work them to meet the client's expectations, then we walk away. **NO HARM. NO FOUL.**

OUR EXPERTISE

Our team of experts are considered industry leaders in the usage of IRS guidelines and rulings. More importantly, we perform the preferred Engineering-based (bottom-up / full coverage) approach to Cost Segregation. That means that we start at the bottom and classify ALL property components into the appropriate depreciation classes - 5, 7, 15, and even the 39 year components.

Details...Details...Details. This is what ensures that we Meet or Exceed the Thirteen Elements of a Quality Study as defined by the IRS, which makes our work **more defensible**.