

COST SEGREGATION
Uncovering Hidden Cash Flow

Why not recover at least 5 cents (and often 8 to 10 cents) for every dollar you spend on new construction or a purchased building? We can provide that cash payback via accelerated tax depreciation by segregating building costs into shorter lived personal property and site improvements.

Our study carefully breaks down your construction or acquisition costs (used real estate) and allocates them to specific categories - maximizing accelerated depreciation for qualifying personal property. The shorter the depreciation period, the greater your tax savings. This study could also be used to provide the basis for your property records system. In addition, certain construction costs do not add to value and should be excluded from the property tax basis. These may involve overtime, demolition, etc.

Critical to establishing this significant cash benefit is our detailed engineering analysis. We provide complete cost analysis and supporting documentation, as well as the experience gained from numerous, successful IRS audits. Our engineers understand accounting and tax codes. They perform quantity take-offs from construction drawings or available data for purchased buildings. The key to withstanding IRS scrutiny is our thorough application of engineering standards and our prior successful negotiations with the Treasury. We do not merely rely on broad percentage allocations or contractors lumped costs.