

Cost Segregation Studies



Proper asset classification for tax advantages and improved cash flow.

BENEFITS

- Accelerate depreciation
- Increase current tax deductions
- Defer income tax
- Increase cash flow
- Provide other additional opportunities

IN-DEPTH ANALYSIS

A cost segregation study is an in-depth, engineering-based analysis of the costs associated with the acquisition, construction or renovation of a building. Properly done, the study results in additional accelerated deductions that increase your cash flow. The process incorporates accounting, engineering, and appraisal techniques and methods in order to identify and reclassify the cost of eligible personal property, land

Improvements, and qualified leasehold improvements. The assets are then depreciated over 5, 7, or 15 years, using an accelerated method, rather than the standard 27.5-year or 39-year straight-line method used for most real estate. This enables you to maximize your tax depreciation deduction, thereby reducing current income tax obligations and increasing cash flow.



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Who can benefit?

If you are purchasing an existing building, constructing a new building, expanding or renovating a building you already own, or constructing leasehold improvements, then you can derive benefits from a cost segregation study. Even if you purchased, constructed, or expanded the building in a prior year, a cost segregation study and a simple change in accounting method can allow you to currently claim the depreciation deductions you failed to claim in prior years without having to amend prior-year returns. Various property types can benefit from a cost segregation study including, but not limited to:



- Manufacturing and industrial plants
- Health and long-term care facilities
- Financial institutions
- Automobile dealerships
- Distribution centers and warehouses
- Office buildings
- Restaurants and hotels
- Retail and convenience stores
- Shopping centers
- Apartment buildings

WHY CHOOSE TOBIN & ASSOCIATES?

Cost segregation studies are both an art and a science – even the IRS recognizes that there is no easy, bright line test for identifying personal property. Tobin & Associates' Cost Segregation Group specializes in engineering-based cost segregation studies and energy efficiency studies for IRC179D. With over 35 years of experience in appraisals and valuations, our experts have provided thousands of successful studies on new construction and existing buildings in various industries throughout the United States. We bring the right combination of accounting, appraisal, and engineering skills to deliver independent, transparent reports that maximize tax depreciation benefits and provide fully documented support should you ever be audited by the IRS.

What can you expect? (Average project cost allocated to each depreciation class)

Property Year	Office Building	Retail Property	Food Service Building	Light Mfg. Property	Heavy Mfg. Property
5-Year Property	5% - 15%	10% - 25%	15% - 25%	0% - 5%	0% - 5%
7-Year Property	5% - 10%	0% - 5%	0% - 5%	20% - 30%	25% - 55%
15-Year Property	5% - 10%	10% - 15%	10% - 15%	10% - 15%	15% - 20%
39-Year Property	65% - 85%	55% - 80%	55% - 75%	50% - 70%	20% - 60%

GET STARTED TODAY!

Tobin & Associates offers a complimentary benefit study and fee quote including projected tax benefits that illustrates the potential return on investment achieved with a cost segregation study.

