COST SEGREGATION CASE STUDY

WHAT IS COST SEGREGATION?

Cost Segregation is a commonly used strategic tax planning tool that allows companies and individuals who have constructed, purchased, expanded or remodeled any kind of real estate to immediately reduce tax by accelerating depreciation deductions and deferring federal and state income taxes. ***The following is a case study for a fine dining restaurant to demonstrate the benefits of accelerated depreciation on this property type.***

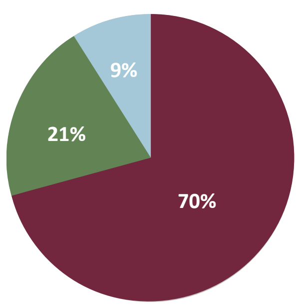
BUILDING TYPE: RESTAURANT - FINE DINING

SUMMARY OF BENEFITS	RESULTS
Additional Tax Deductions in First Year	$625,550
Net Present Value (NPV) Over 10 Years	$181,360
NPV Over Remaining Life of Property	$149,862

**Benefits typical for tax returns filed 2018-2022*

BUILDING ALLOCATION AFTER STUDY

5-yr property	$443,100
7-yr property	$0
15-yr property	$189,900
39-yr property	$1,477,000



BUILDING INFORMATION

Purchase Price of Property (less land)	$2,110,000
Property Type	Restaurant - fine dining
Building Sq Ft	4,700
Entire Site Sq Ft	22,200
Date Acquired	July - Current Tax Year
Federal Tax Rate	29.6%
State Tax Rate	5%
Combined Tax Rate	34.6%
ROI Factor	8%
Bonus Depreciation	100%

CALCULATE YOUR TAX SAVINGS

Use our Cost Segregation Savings Calculator to estimate tax savings for your type of building. Enter building details for instant results at ***kbkg.com/costsegregation/calculator.***

KBKG is a national tax specialty firm with offices across the U.S. To see if you qualify, call us or visit KBKG.com/qualify for more information.