

Cost Segregation Study Sample Successes

\$772,800 net present value of taxes deferred

\$55,200 net present value savings per million dollars of building value

A manufacturing facility was purchased in 1999 for approximately \$14,000,000. A cost segregation study was performed in 2006 providing additional first year depreciation of \$2,683,400 resulting in a 2006 tax deferral of \$1,073,300 at a combined federal and state tax rate of 40%. The net present value of the taxes deferred at a discount rate of 8% over the life of the building amounted to \$772,800. This represents a net present value savings of \$55,200 per million dollars of building value.

\$1,065,900 net present value of taxes deferred

\$46,300 net present value savings per million dollars of building value

An apartment complex was constructed in 2005 for approximately \$23,000,000. A cost segregation study was performed in 2006 providing additional first year depreciation of \$2,437,000 resulting in a 2006 tax deferral of \$974,800 at a combined federal and state tax rate of 40%. The net present value of the taxes deferred at a discount rate of 8% over the life of the building amounted to \$1,065,900. This represents a net present value savings of \$46,300 per million dollars of building value.

\$239,000 net present value of taxes deferred

\$53,100 net present value savings per million dollars of building value

An automobile dealership was purchased in 2005 for approximately \$4,500,000. A cost segregation study was performed in 2005 providing additional first year depreciation of \$143,700 resulting in a 2005 tax deferral of \$57,500 at a combined federal and state tax rate of 40%. The net present value of the taxes deferred at a discount rate of 8% over the life of the building amounted to \$239,000. This represents a net present value savings of \$53,100 per million dollars of building value.

\$376,000 net present value of taxes deferred

\$37,600 net present value savings per million dollars of building value

A multi-tenant office building was purchased in 2002 for approximately \$10,000,000. A cost segregation study was performed in 2004 providing additional first year depreciation of \$765,800 resulting in a 2004 tax deferral of \$306,300 at a combined federal and state tax rate of 40%. The net present value of the taxes deferred at a discount rate of 8% over the life of the building amounted to \$376,000. This represents a net present value savings of \$37,600 per million dollars of building value.