

Cost Segregation; Survey & Studies: How Building Owners Can Benefit

Cost Segregation is a practical and legal means of increasing cash flow through accelerated depreciation of building costs.

The *cost segregation* process involves an initial *survey to identify the costs* and a subsequent *study* that helps building owners to write off their building in the shortest amount of time permissible under the law. This acceleration of depreciation minimizes tax liability, and increases cash flow, in the early years of a building's life when cash is typically in short supply.

The purpose of a cost segregation *study* is to allocate costs to either real property or personal property, and to classify those costs in the most optimal MACRS asset lives as recognized under the Internal Revenue Code, tax rulings, and existing Tax Court case law.

Companies that utilize *cost segregation studies* significantly improve their return on investment (ROI).

A recent cost segregation study for a \$6m building resulted in the owner pocketing an additional after-tax \$480,000 cash flow in the first five years!



Utilizing Tax Reduction Strategies can add greatly to the **bottom line**. By bridging the gap between Accounting, Construction, and the tax code, Tax Reduction Strategies can help save money on your next tax bill.

Maximize Savings

Saving may include and/ or be due to the location of the property, the percentage of property containing built out internal space, the amount and type of personal property within the building and the amount and extent of site (land) improvements on the property.

An in-depth Cost Segregation Survey and Study will benefit you in numerous ways:

1. **Maximize** tax deferrals
2. **Increase** cash flow
3. **Improve tax rates** on sale of the property

Rest assured that a team of professionals will hold to the highest standards in order to provide you with the most accurate and legally viable report.



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