

Increase Profits From Real Estate Investments

Cost Segregation



What is Cost Segregation?

Cost Segregation is an analysis that itemizes each component within a real estate project and separates the personal, tangible property from real property.

This can result in significant upfront tax savings, allowing a dramatic increase in depreciation within the first few years. It works by classifying tangible property (like flooring, fixtures, and appliances) into shorter class lives (5, 7, or 15 years) instead of the standard 27.5 or 39 years for the entire building, and is applicable to all property types.

How Much Money Could Your Client Save?

Many components can be accelerated via a Cost Segregation study, if your purchase price was \$1 million (for instance), you could accelerate \$300,000-400,000 for much faster depreciation which also qualifies for bonus depreciation. This could significantly reduce your taxable income and improve the return on your investment.

Who Are The Ideal Candidates For Cost Segregation?

If you own real estate purchased or built within the past 15 years and have tax liabilities, a Cost Segregation study could save you money. This study identifies building components that can be depreciated over shorter periods (5, 7, or 15 years) rather than the standard 27.5 or 39 years. This applies to both residential and commercial properties.

When is Cost Segregation Most Applicable?

At the time of purchase, completion of new construction, major renovations, step-up in basis or inheritance, 1031 exchange, when you have a liquidity event or taxable event and is looking to reduce tax liability. Cost Segregation can also be applied retroactively without amending.

What we need: For a recent purchase, we'll need the closing statement. For new construction, we'll ask you provide the cost breakdowns. For properties owned longer than 1 year, we'll need the depreciation schedule. From there, we'll provide a detailed cost benefit analysis within 24-48 hours.

Our Process

It's very simple: call us, and we'll handle the rest! Engineered Tax Services will be happy to provide you with a free Cost Segregation feasibility study based on basic building information. We will:

- Analyze your tax situation and plans to confirm suitability.
- Evaluate your building's construction costs.
- Review construction documents and conduct a site visit.
- Classify building components according to IRS tax guidelines.
- Prepare a detailed report to support your tax deductions.

Firstname Lastname

Job Title | ####-####-####

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