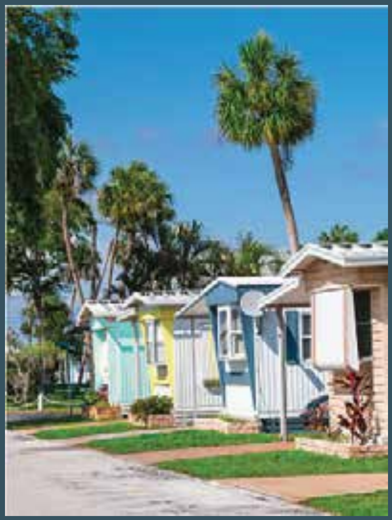
Not all applications for a Cost Segregation study are as straight forward as building, renovating or acquiring a building. Here are four examples you should also consider.

Mobile Home Parks
Per Rev. Rul. 77-291, the classification of property as "personal" or "inherently permanent" should be made on the basis of the manner of attachment to the land and how permanently the property is designated to remain in place.

There are current cases under examination to determine how this rule should be applied to mobile homes. In some cases, they can be classified as inherently permanent and would most likely be 27.5-year residential rental property. Factor in an onsite laundry facility and it could become a 39-year property.



Golf Courses
In general, a golf course consists of three types of components: the land, depreciable land improvements, and non-depreciable land improvements.

The current IRS position is that costs of land preparation are non-depreciable. However, Rev. Rul. 2001-60 allows depreciation on the portion of a "modern green" that is directly associated with depreciable assets, such as underground drainage or sprinkler systems. This portion of the land can be classified with land improvements as a 15-year property.

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UNIQUE COST SEGREGATION APPLICATIONS

Vehicle Dealerships
An automobile dealership may classify interior improvements to the portion of tttheir building open to the general public and used in the business of selling tangible personal property as 15-year property as long as the improvements are placed in service more than three years after the date the building was first placed into service.

Typically, only the showroom floor and sales offices will qualify. The service departments, warehouse facilities, and other areas will not qualify as they are not used in the activity of selling to retail customers.

Estate Planning
A primary purpose of a cost segregation study is to reclassify § 1250 property to § 1245 property. However, doing so may subject the tax payer to a higher marginal tax bracket.

There are two code sections that exempt transfers of property at death from the depreciation recapture rules that typically reduce costs cost segregation benefits. So proper estate planning could significantly save money. Once property is transferred, a tax professional can maximize any depreciation deductions for a deceased taxpayer on that taxpayer's final income tax return.

Let's discuss your unique situation
Contact us: 877.410.5040

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Launched in 2001, Scarpello Consulting provides cost segregation services that allow clients to maximize their depreciation deductions while minimizing audit risk. The firm works with Fortune 500 companies and some of the largest national CPA firms through tttheir multiple offices in Omaha, NE, Overland Park, KS, Sarasota, FL, and Denver, CO.