

Cost Segregation is an engineering-based, **TAX SAVING TOOL** to help companies that have acquired, renovated, constructed, or expanded real estate to **REDUCE CURRENT INCOME TAX** liabilities by **ACCELERATING DEPRECIATION DEDUCTIONS** for qualifying components

BIG SAVINGS FOR YOUR CLIENTS

Help clients increase their cash flow by accelerating depreciation expense and deferring federal and state income taxes.

Here is how it works: generally an entire building would be classified with a straight-line depreciation cycle of either 39 years for a commercial and industrial property or 27.5 years for residential-rental property.

By applying a cost segregation study from Scarpello Consulting, you can maximize the inherent tax benefits by identifying, classifying, and segregating the personal property components of the building. This results in accelerated depreciable lives of 5, 7 and 15 years, thus saving thousands of tax dollars.

EXAMPLE: For a new purchase placed into service the same year, \$2,000,000 was reclassified to a 7-year life. In the first year alone that garnered a tax savings of \$103,192. Over a 5-year period the one-time cost segregation study saved the owner over \$525,000.

WHILE COST SEGREGATION IS A FEDERAL TAX PRODUCT, IT REQUIRES ENGINEERING AND CONSTRUCTION EXPERTISE

Properly executed cost segregation studies are designed to maximize building depreciation allowance while minimizing the risk of audit exposure.

Because tax laws change constantly, you need to partner with a full-service team that understands how to confidently identify improvements to building plans, quantify a property using a detailed level of cost information, and describe cost savings methods in accordance with current tax bylaws.

YOUR PROCESS IS OUR PROCESS

When you use the full-service team at Scarpello Consulting to conduct your Cost Segregation studies, you don't have to change how your business operates. We adapt to you.

Do you want to issue the engagement letter – that works for us. Would you prefer that we issue the letter and handle billing – we can do that too. Want the reports to be co-branded or come directly from us – either way is fine by us.

Scarpello Consulting simply wants to provide the cost segregation for your clients – and allow you to get all the accolades.

Your Scarpello Consulting Cost Segregation Team Will:

- Lead site tours and collect available client information
- Develop an apportionment base for all property
- Calculate all necessary tax depreciation calculations
- Prepare Form 3115, if needed
- Present a written report with details of the findings
- Provide necessary case law support for all positions
- Offer unlimited audit defense time to support the findings



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SCARPELLO CONSULTING has been conducting Cost Segregation studies for OVER 15 YEARS – ever since developing the practice while working within one of the “BIG FOUR” accounting firms. Many Fortune 500 companies and some of the largest national CPA firms trust us with their studies, and you should too.