Maximize 100% BONUS Depreciation with Cost Segregation

Reduce your taxable income:

Receive cash flow from tax savings of 3-10% of your building cost in the first year.

That's $30K-$100K for each $1M in building costs.

Increase your cash flow: With less taxable income, you can increase your company's cash flow, year after year. Our cost segregation studies enable you to keep more of the money you make.

Grow your business:

What you do with that money is up to you. Many of our clients use their tax savings to reinvest in their business, purchase property for expanded operations or pay off their principle building payment.

CONTACT US FOR A FREE ANALYSIS:

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CSSISTUDY.COM

Commercial Property Owners

How will a Cost Segregation study create cash-flow for my business?
Your current taxable income can be greatly reduced and your cash flow can increase $30,000 to $100,000 for every $1,000,000 of building cost. Cost segregation is the method of re-classifying components and improvements of your commercial building that allows much of the assets to be depreciated on a 5-, 7-, or 15-year schedule instead of the traditional 39-year life of real property. On buildings that were acquired or built after September 2017 when you identify these shorter class lives you also qualify for 100% BONUS depreciation made available through the recent tax reform bill.

How will the new Tangible Property Regulations affect my business?
The new repair and maintenance regulations are the biggest tax changes in many years. U.S. tax code states that the demand for Cost Segregation Studies is on the rise since the issuance of the final regulations. Compliance with the new regulations is not optional and Cost Segregation is called "the certain method" to getting the calculations right and maximizing your tax benefit.

First, your existing depreciation schedule must be scrubbed and any items that do not rise to the new level of capitalization MUST be expensed. Regulation 1016–3 says that if this is not done prior to an audit the remaining depreciable basis of the items can be disallowed. Second, moving forward there are new capitalization criteria and three safe harbors that can be utilized to expense expenditures that would normally be capitalized. You and your CPA can utilize these safe harbors to strategize about how and when repairs should be made.

Can I schedule my repairs and maintenance so they can be expensed?
Yes. There are three strategies available. You should be proactive and strategize on all expenditures that are over $2,500 for 2017. The first is the De Minimus safe harbor limit which all businesses can take advantage of in 2016 and beyond. Any expenditure under $2,500 can be expensed. Second, if expenditures are deemed repair and maintenance, not a betterment, they can be expensed. Third is the small tax payer safe harbor which is an excellent opportunity for commercial and income property owners.

I heard that I can expense items that were removed and disposed of after my renovation including labor. Is that true?
This is a partial asset disposition. An owner can write off the remaining depreciable basis of assets that went in the trash during a renovation, addition or improvement, including the labor to remove the items. This can only be done in the year of the renovation. Common items considered are LED Lighting projects, HVAC, Roof Replacements and complete renovations. CSSI can help determine if you qualify and work with your tax team to help you capture the tax savings. The end result is lower income taxes for the owners of a building.

CSSI®
Cost Segregation Services Incorporated

Tax Reform Solutions for Commercial Building Owners

Recent Tax Reform has major economic benefits for building owners. Reduce your income taxes with **100% BONUS DEPRECIATION** defined with a cost segregation study.

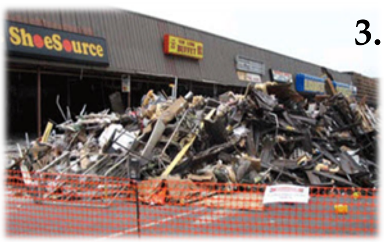
Receive $30,000 - $100,000 in income tax savings per million in building costs in the first year through cost segregation, partial asset disposition, and other tax strategies.

1. Cost Segregation

This method of identifying and classifying building components allows you to accelerate depreciation, capture bonus depreciation, and generate additional cash flow to reduce income taxes. An engineering-based cost segregation study is the basis for you to capture the tax savings opportunities below and it helps you maintain compliance moving forward with these regulations. Tax Reform allows you to capture these savings in the first year of ownership.

2. Building Systems Valuation

An engineering-based study will value building systems and structural components allowing clients to maximize what they can expense. The Tax Code gives very specific regulations on whether expenditures should be capitalized as an "improvement" or expensed as a "repair."



3. Capital to Expense "Reversal" Opportunity

Building owners may now reverse previously capitalized costs and expense them in the current year by applying the new regulations to prior years. For example, CSSI helped a client receive $1.1 Million in tax savings on one of his properties in 2014.

4. Partial Asset Disposition (PAD)

Renovate in 2018? A PAD allows you to write down the basis of what you removed and costs for the removal and disposal of those items. You receive a tax deduction in the current year but it is a "use it or lose it" opportunity. Fail to capture it in the current tax year and you lose the write down.

5. Energy/LED Retrofit Projects with Tax and Energy Savings

Our Energy Services division provides complete Turnkey Energy Projects with provisions for Federal Tax, State Tax and local utility rebates and tax incentives. Energy usage reduced up to 80%, and project possibly paid for at net zero cost through tax savings, rebates, and energy efficiency incentives.

Let CSSI provide a no-cost analysis!

The CSSI Team are the "Calculation Experts" for the repair regulations surrounding commercial buildings and the premier company for providing engineering-based cost segregation studies in America.

Norm Rosner
Account Executive

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