



**Accelerated depreciation & repair  
regulations for U.S. tax applications.  
Stay compliant, Save money.**

**IT'S YOUR MONEY  
KEEP MORE OF IT**

The premier company providing engineering-based cost  
segregation studies for U.S. properties.

# HISTORY OF COST SEGREGATION SERVICES, INC.

In 1997, Hospital Corporation of America (H.C.A.) won the landmark court case proposing the use of cost segregation to reduce their tax burden. Shortly after, a tax attorney who worked on the case commissioned our founder, Jim Shreve, to develop the protocols and processes to provide engineering-based cost segregation studies for all commercial property owners. Mr. Shreve developed an efficient, affordable, and compliant engineering-based method to provide cost segregation studies for commercial and residential rental properties in the United States. Through the development of his application Cost Segregation Services, Inc. (CSSI®) was formed with the purpose of providing engineering-based cost segregation studies for property owners of all sizes.

**CSSI® is the premier company providing engineering-based cost segregation studies for U.S. property owners.** Currently CSSI® has successfully completed over 15,000 studies nationally, and has completed studies of properties ranging from \$150,000 to \$750 million in cost.



## WHAT IS COST SEGREGATION?

Cost Segregation is an application by which commercial property owners can accelerate depreciation and reduce the amount of taxes owed. This savings generates substantial cash flow that owners often use to reinvest in the business, purchase more property, apply to their principal payment or spend on themselves.

### Actual Cost Savings by Cost Segregation Engineering-based Studies

| Facility Type          | Total Property Cost | First Year Cash Flow From Tax Savings | Five Year Cash Flow From Tax Savings |
|------------------------|---------------------|---------------------------------------|--------------------------------------|
| Office Condo           | \$480 Thousand      | \$12,783                              | \$31,229                             |
| Leasehold Improvements | \$1.40 Million      | \$53,751                              | \$131,569                            |
| Restaurant             | \$2.68 Million      | \$71,374                              | \$173,503                            |
| Warehouse              | \$6.37 Million      | \$108,488                             | \$248,559                            |
| Medical Facility       | \$8.90 Million      | \$151,576                             | \$347,281                            |
| Apartments             | \$15.1 Million      | \$236,763                             | \$570,288                            |
| Retail Strip Center    | \$22.3 Million      | \$379,793                             | \$848,160                            |

## HOW DOES COST SEGREGATION WORK?

Cost Segregation Services, Inc. (CSSI®), an experienced and qualified company, performs the engineering-based cost segregation study on your property. The study accelerates the depreciation of your building/renovation components into shorter depreciation categories such as 5-, 7-, 15-year rather than conventional 27.5- and 39.5-year schedules. Five- and 7-year items might include decorative building elements, electrical for dedicated computer

equipment, and carpet. Fifteen-year items might include site utilities, landscaping and paving. This engineering-based cost segregation study results in a much higher depreciation expense and significantly reduced taxable income for the property owner. Best of all, the U.S tax code ruling states cost segregation can be applied to categories of buildings purchased or built since 1986, including renovations, and there is no need to amend your tax returns.

## REPAIR REGULATION **VALUATION EXPERTS**

The new 2014 Tangible Property Regulations a.k.a. “repair regs” bring about complicated compliance issues but also significant economic benefits. The regulations provide guidelines for building owners to make the determination to expense or capitalize purchases on buildings. CSSI® regularly presents webinars and workshops for CPAs and building owners, providing them with information they need to apply the regulations in their businesses. Not only do we teach you what’s important, but we are also the valuation experts you need to help you and your CPA achieve compliance and receive the economic benefits available through the regulations.

### THE **CSSI®** DIFFERENCE

#### **FOCUSED**

We are singularly focused on providing engineering-based cost segregation studies. Our goal is to support your CPA or tax advisor with the most accurate engineering-based cost segregation study results so you can realize maximum savings and increased cash flow.

#### **AFFORDABLE**

We provide an engineering-based study that is affordable for your commercial property application.

#### **COMPLIANT**

Our engineering-based study method allows us to provide not only the best possible results, but also adheres to U.S. tax code guidelines and recommendations. In addition, we stay up to date on the repair regs which define how property owners should make capitalization or expense decisions.

#### **INDEPENDENT**

CSSI® is classified as an independent engineering-based study specialist meeting the specifications stated by U.S. tax code in regard to commercial property owners applying cost segregation applications, and the repair regs.



## WHAT ARE THE **PROFESSIONALS** SAYING?

### **AICPA, Tangible Property Regulations, and How Cost Segregation Helps**

“A taxpayer can substantially increase cash flow by segregating property costs.”

“Cost segregation can provide real estate purchasers with tremendous tax benefits from accelerated depreciation deductions and easier write-offs when an asset becomes obsolete, broken or destroyed.”

~*Jay A. Soled, JD, LLM and Charles E. Falk, CPA, JD*

### **AICPA, The Best of Both Worlds**

“Selecting a firm that uses qualified professionals with years of significant, relevant experience can be an important differentiator in the quality of a cost segregation study.”

~*William Edward Allen III, CPA and Mary B. Foster, Esq.*

### **The Practicing CPA**

“A good relationship with an established, experienced cost segregation provider is important so that, if the Service inquires about a cost-segregation study three or more years down the line, the provider is willing and able to stand behind the work.”

~*William J. Barnes, CPA, CFP, CDFA, MST*

### **CCH TPR Certificate Program**

“Cost Segregation, matched with Repair & Maintenance considerations, is now more valuable than ever to building owners.”

~*Eric Wallace, CPA, working with CSSI®, TPRToolsandTemplates.com*

For years, CSSI® has been delivering quality, affordable, engineering-based cost segregation studies to a wide range of individuals and businesses. Our team of experts can help easily apply the results to your current financials with your CPA or financial professional to assure successful results. In addition, our national coverage and expertise allows us to work with customers and properties across the United States.

## HOW TO GET STARTED

**To receive your no-cost preliminary property analysis illustrating the estimated tax savings and increased cash flow your property would create from a engineering-based cost segregation study, please provide us with the following information:**

- Facility Type
- Property Location
- Acquisition Date
- Building /Improvements Cost (excluding land)

Contact a CSSI® Associate to request your no-cost preliminary analysis review.

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