



SOURCE ADVISORS & COST SEGREGATION

WHAT WE DO:

Identify the specific components of a building or capital improvements project that qualify for shorter Federal depreciable lives. The increased depreciation creates \$30,000 to \$200,000 in additional after-tax cash for every \$1,000,000 our clients spend on buildings or capital improvements projects.

WHO WE WORK WITH:

Thousands of businesses that own real estate, investors, and their accounting firms who want to maximize deductions and enhance cash for their real estate holdings.

THE PROCESS:

- Initial no-cost evaluation, estimate of benefit, and scope development
- Project engagement with assignment to Source Advisors professional
- Site inspection conducted by Source professional
- Report prepared and reviewed for technical accuracy and appropriate tax treatment of assets
- Report issued to taxpayer and/or CPA
- In the unlikely event of a challenge by the IRS, Source Advisors will defend the work at no charge in examination

\$164,000 Average Accelerated Cash Flow

ABOUT SOURCE ADVISORS:

- ★ Providing Specialized Tax Consulting Since 1983
- ★ 500+ Years of Collective Experience
- ★ Over 22,000 Cost Segregation Studies Performed
- ★ Over \$3 Billion in Tax Benefits Created
- ★ Experienced and Dedicated Nationwide Team of Professionals Including CPAs, Professional Engineers, Architects, and ASCSP Certified Members
- ★ Committed to working closely with CPAs, property owners, and trusted advisors to provide high quality “tax-centric” solutions

COST SEGREGATION IS APPLICABLE TO MORE THAN JUST NEW CONSTRUCTION

Cost segregation studies are available to taxpayers who have **built** or **bought** buildings or **paid for improvements** after 1986.

- Ground Up Construction
- Acquisitions: Current or Prior Year
- Post Acquisition Improvements
- Tenant Improvements

THE BENEFIT

Benefits will vary based on property types, in-service dates, and effective tax rates. Generally, taxpayers can expect to see a minimum of a 20:1 ROI for this valuable tax strategy.

SAMPLE BUILDING TYPES:

- Apartment Communities
- Assisted Living
- Auto Dealerships
- Banks
- Data Centers
- Day Cares
- Distribution Centers
- Fitness Centers
- Grocery Stores
- Hospitality
- Manufacturing
- Medical Facilities
- Office Building
- Restaurants
- Retail Shopping Centers
- Self-Storage

EXAMPLES OF COST SEGREGATION ACCELERATED CASH FLOW:

PROJECT TYPE	CASH FLOW PER MILLION
Drug Store	\$30,000-\$60,000
Retail Shopping Centers	\$33,000-\$65,000
Hospital	\$50,000-\$105,000
Assisted Living	\$35,000-\$110,000
Office Building	\$40,000-\$110,000
Bank	\$60,000-\$110,000
Restaurant	\$65,000-\$120,000
Hospitality - Full Service	\$30,000-\$135,000
Apartment Community - Garden Style	\$50,000-\$135,000
Auto Dealer	\$85,000-\$155,000

THE SOURCE ADVISORS COST SEGREGATION PROCESS:



Pre-Qualification

- Define project scope
- Generate estimate of benefits
- Submit proposal

Request & Gather Data

- Capitalized costs
- Depreciation schedules
- Drawings
- Construction costs

Perform Study

- Review construction or acquisition costs
- Review drawings
- Perform site inspection

Review & Finalize Report

- Conduct a minimum of three internal reviews of the project
- Issue final report after taxpayer's review and approval