



COST SEGREGATION STUDY REVIEW

Hotel Example

We are pleased to provide this review for a Cost Segregation Study for Hotel Example. The following chart outlines the “benchmark” estimate for the expected results. We look forward to visiting with you to review these favorable economic results.

PHASE I: Preliminary Analysis and Identification

Building Cost	\$ 1,000,000	
Year Acquired	Mid-Year 2004	
Tax Year:	2005	2008
Current Method		
Accumulated Depreciation Reported 39 yr. straight line method	\$ 37,410	\$ 139,970
Alternative Method		
Cost Segregation Study Depreciation		
5 yr.	\$ 76,950	\$ 190,000
15 yr.	\$ 14,500	\$ 43,910
39 yr.	\$ 26,561	\$ 99,379
Total	\$ 118,011	\$ 333,289
Results for tax year		
Increased Depreciation Expense	\$ 80,601	\$ 193,319
Tax Rate (estimated)	40%	40%
Tax Savings Benefit	\$ 32,240	77,327

These results represent a benchmark of the expected results. The tax reduction benefit for tax year 2005 is \$32,240, and the accumulated tax reduction benefit for tax year 2008 is \$77,327.

Let Smart Seg Services reclaim your tax dollars