



COST SEGREGATION STUDY REVIEW

MultiFamily Example

We are pleased to provide this review for a Cost Segregation Study for a Multi-Family Building. 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
Date Acquired	Mid-Year 2005

Tax Year:	2006	2009
------------------	-------------	-------------

Current Method

Accumulated Depreciation Reported		
27.5 year straight line method	\$ 56,060	\$ 165,140

Alternative Method

Cost Segregation Study Depreciation		
5 yr.	\$ 113,400	\$ 280,000
15 yr.	\$ 14,500	\$ 43,910
27.5 yr.	\$ 23,194	\$ 86,781
Total	\$ 151,094	\$ 410,691

Results for Tax Year:	2006	2009
Increased Depreciation Expense	\$ 113,684	\$ 270,721
Tax Rate (estimated)	36%	36%
Tax Savings Benefit	\$ 40,926	\$ 97,460

These results represent a benchmark of the expected results. The tax reduction benefit for tax year 2006 is \$40,926, and the accumulated tax reduction benefit for tax year 2009 is \$97,460.

Let Smart Seg Services reclaim your tax dollars