



## COST SEGREGATION STUDY REVIEW

### Office Building Example

We are pleased to provide this review for a Cost Segregation Study for an Office Building 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	
<b>Tax Year:</b>		<b>2005</b>	<b>2008</b>
<b>Current Method</b>			
Accumulated Depreciation Reported 39 yr. straight line method	\$	37,410	\$ 139,970
<b>Alternative Method</b>			
Cost Segregation Study Depreciation			
5 yr.	\$	113,400	\$ 280,000
15 yr.	\$	14,500	\$ 43,910
39 yr.	\$	23,194	\$ 86,781
Total	\$	151,094	\$ 410,691
<b>Results for tax year</b>		<b>2005</b>	<b>2008</b>
Increased Depreciation Expense	\$	113,684	\$ 270,721
Tax Rate (estimated)		36%	36%
<b>Tax Savings Benefit</b>	<b>\$</b>	<b>40,926</b>	<b>97,460</b>

These results represent a benchmark of the expected results. The Tax reduction benefit in the tax year 2005 is \$40,926, and in tax year 2008 an accumulated tax reduction benefit of \$97,460.

*Let Smart Seg Services reclaim your tax dollars*