



COST SEGREGATION STUDY REVIEW

Restaurant Example

We are pleased to provide this review for a Cost Segregation Study for Restaurant 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.	\$	121,500	\$ 300,000
15 yr.	\$	11,600	\$ 35,128
39 yr.	\$	23,194	\$ 86,781
Total	\$	156,294	\$ 421,909
Results for tax year		2005	2008
Increased Depreciation Expense	\$	118,884	\$ 281,939
Tax Rate (estimated)		36%	36%
Tax Savings Benefit	\$	42,798	\$ 101,498

These results represent a benchmark of the expected results. The Tax reduction benefit in the tax year 2005 is \$42,798, and in tax year 2008 an accumulated tax reduction benefit of \$101,498.

Let Smart Seg Services reclaim your tax dollars