



COST SEGREGATION STUDY REVIEW

Self Storage (Inside) Example

We are pleased to provide this review for a Cost Segregation Study for Self Storage (Inside) 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
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Current Method

Accumulated Depreciation Reported 39 yr. straight line method	\$ 37,410	\$ 139,970
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Alternative Method

Cost Segregation Study Depreciation		
5 yr.	\$ 60,750	\$ 150,000
15 yr.	\$ 17,400	\$ 52,692
39 yr.	\$ 27,309	\$ 102,178
Total	\$ 105,459	\$ 304,870

Results for tax year

	2005	2008
Increased Depreciation Expense	\$ 68,049	\$ 164,900
Tax Rate (estimated)	36%	36%
Tax Savings Benefit	\$ 24,498	\$ 59,364

These results represent a benchmark of the expected results. The estimated Tax reduction benefit in the tax year 2005 is \$24,498, and in tax year 2008 an accumulated tax reduction benefit of \$59,364.

Let Smart Seg Services reclaim your tax dollars