

# Maximizing Tax Savings with Cost Segregation



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CPA Partnerships, LLC

Accelerate Depreciation. Improve Cash Flow.

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**MANUFACTURING PLANT**



**AUTO SHOP**

# What is Cost Segregation?

- A proven IRS-approved strategy to accelerate depreciation deductions.
- Reclassifies building components from 39-year to 5-, 7-, or 15-year lives.
- Engineering-based analysis (no shortcuts) for maximum, defensible benefits.



# Why Cost Segregation Delivers Real Value

- Significant first-year tax deductions and cash flow improvement.
- Permanent 100% bonus depreciation for qualifying assets (thanks to recent tax reforms).
- Fully documented reports — audit-defensible and compliant with IRS guidelines.
- Potential support for property tax appeals in applicable jurisdictions.
- No disruption to operations — we handle everything.



**RENTAL HOME**



**GAS STATION**



# How It Works

## Our Proven Process

### Numbered Steps:

1. Free preliminary analysis (no obligation).
2. Site inspection by qualified specialists.
3. Detailed engineering report with component breakdowns.
4. NPV summary showing your projected savings.



**WAREHOUSE**



**OFFICE BUILDING**





**MEDICAL BUILDING**



**RETAIL CENTER**

# Properties That Benefit Most

- Restaurants & Hotels
- Multifamily Apartments
- Medical/Dental Offices
- Auto Repair & Warehouses
- Retail Stores & Strip Centers
- Office Buildings & Manufacturing



## Real Savings Example - \$2 Million Apartment Complex

### Without a Cost Segregation Study



See next slide for depreciation schedule → → → → → → → →

### Straight Line Depreciation

### With a Cost Segregation Study



\*\*\*\$600,000 Eligible for 100% Bonus Depreciation

\*\*\*Year 1 Deduction: \$638,462

\*\*\*Estimated Tax Savings (37% rate): \$236,000+

Engineering analysis performed by qualified third-party cost segregation specialists.



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# Depreciation Comparison: Before vs. After Cost Segregation

**\$2 Million Apartment Complex Example** (Depreciation Basis \$1.5M after Land)

Year	Without Cost Seg (All 39 Year Straight-Line)	With Cost Seg (100% Bonus on 5/7/15-year)
1	\$38,462	\$638,462
2	\$38,462	\$26,923
3	\$38,462	\$26,923
4	\$38,462	\$26,923
5	\$38,462	\$26,923
Total Over 39 Years	\$1,500,000	\$1,500,000

Key Insight

- Year 1 "additional" deduction from cost seg: ~\$600,000 (full bonus on reclassified assets).
- Estimated tax savings Year 1 @ 37% rate: ~\$236,000 cash flow boost.



# Typical % of Depreciable Basis Moved to Shorter Lives

Property Type	5-Year Assets	7-Year Assets	15-Year Assets	Total Reclass
Small Retail / Strip Center	20 – 35%	12 - 22%	8 - 15%	40 - 55%
Restaurant / Fast Food	30 – 45%	15 - 25%	10 - 18%	55 - 70%
Medical / Dental Office	25 – 40%	12 - 20%	8 - 15%	40 - 65%
Auto Repair / Car Wash	25 – 40%	15 - 25%	20 - 20%	50 - 70%





# Typical % of Depreciable Basis Moved to Shorter Lives

Property Type	5-Year Assets	7-Year Assets	15-Year Assets	Total Reclass
Single-Family Rental (average)	8 – 15%	1 – 4%	4 – 10%	12 – 25%
Furnished / Short-Term Rental	15 – 25%	3 – 8%	6 – 15%	25 – 40%
Large Multifamily (20+Units)	15 – 25%	5 – 12%	8 – 18%	30 – 50%
Self-Storage / Mini-Storage	12 – 22%	20 – 35%	8 – 18%	45 – 65%





# Common Qualifying Assets by Recovery Period

## What Actually Moves to Shorter Lives?

### 5-Year Property (Personal Property)

- Kitchen appliances (refrigerator, range, dishwasher, microwave, washer/dryer)
- Carpeting & area rugs
- Window blinds, shades, curtains & rods
- Furniture (beds, sofas, tables, desks, chairs)
- Televisions & mounts
- Decorative lighting & movable lamps
- Security cameras & alarm systems
- Computers, printers, phones
- Removable cabinetry & countertops
- Office equipment in leasing office or home office
- Playground equipment (apartments)
- Exercise equipment (clubhouse gym)

### 7-Year Property (Mostly Office & Specialty Use)

- Office furniture & equipment (desks, chairs, filing cabinets)
- Movable partitions & cubicles
- Removable interior signage & menu boards
- Checkout counters & display cases (retail)
- Dental chairs & exam tables (medical)
- Security gates & access control systems
- Phone & computer systems
- Decorative millwork not permanently attached

### 15-Year Property (Land Improvements)

- Asphalt & concrete paving (parking lots, driveways)
- Curbs, sidewalks & walkways on the property
- Fencing & gates
- Landscaping & irrigation systems
- Retaining walls
- Outdoor lighting & poles
- Drainage systems & stormwater retention
- Swimming pools, spas & decking
- Septic systems & wells
- Underground fuel tanks (if removable)
- Canopies & covered walkways

**With 100% bonus depreciation → every dollar here = Year-1 write-off**

# Real Savings Example

For a \$2 Million Medical Office Property:

- Traditional Depreciation: ~\$51,000/year (39 years).
- With Cost Segregation: Up to \$800,000+ in first-year deductions (with 100% bonus).
- Estimated NPV Benefit: \$250,000–\$400,000 (depending on tax rate).



**MEDICAL OFFICE**



**CAR DEALERSHIP**



# Why Choose CPA Partnerships, LLC

- 17+ years specializing in cost segregation nationwide.
- Engineering analysis by qualified third-party specialists.
- Fast, no-obligation preliminary estimates.
- Clear, audit-ready reports with full documentation.
- Personalized service — you work directly with Darryl Oliver.



**DENTAL OFFICE**



**LARGE MULTI-FAMILY**

# Ready to Explore Your Savings?

- Request a free preliminary estimate (no obligation).
- Visit [costsegresults.com](https://costsegresults.com) for more details.
- Download our Request for Estimate form.



# Get Started Today

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