



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
108

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$246,709*

Seafood Restaurant

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by the new owners of a recently purchased seafood restaurant, Pineapple Grill, to conduct a Cost Segregation Study. The objective was to identify assets that could be moved to shorter recovery periods in order to accelerate depreciation and defer taxes.

PROPERTY OVERVIEW

This restaurant was acquired and placed into service in February 2006. The cost segregation study engineer examined the interior build-out and associated site improvements with a total depreciable cost basis of \$2.5 million. The restaurant consists of 8,943 s.f. of retail restaurant space on .62 acres of land.

ENGINEERING PROCESS

Our engineers examined all design and construction documents, contractor payment applications, and other related data to determine the cost basis for every component in the building. Next, our engineer conducted an on-site inspection to identify and photograph all assets eligible for accelerated depreciation. Our team (onsite engineer, senior engineer, and tax specialist) reviewed the cost segregation study and certified its completeness and accuracy.



ESTIMATE OF BENEFITS AND SAVINGS

The pre-engagement benchmark estimate we provided to the new owners showed a potential reallocation of \$311,465 or 20% to shorter recovery periods. The projected tax benefit was \$122,935 in first year savings with \$73,334 in current Net Present Value tax savings.

RESULTS

Our study resulted in a total of \$626,854 or 39.2% being rescheduled to 5- and 15- year property. As a result, the property owner will save \$246,709 in first year tax payments and realize over \$203,095 in 10-year Net Present Value tax savings.

** Represents the 10-yr. net present value savings using an 8% discount rate if amount indicates NPV.*

We guarantee any commercial property owner who pays income taxes and owns or leases their office condo, building, or tenant improvements a minimum \$10,000 Federal income tax refund or credit or our services are free!

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