



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
109

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$75,000*

Dental Office

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by Dr. Jody Cremer of Pediatric Dentistry to conduct a cost segregation study of his recently constructed dental office in North Richland Hills, Texas. 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 highly innovative kid-friendly office was constructed and placed into service in June 2011 with a total depreciable cost basis of \$1.14 million. The building consists of 4,700 square feet of dental procedure, recovery, and office space.



ENGINEERING PROCESS

Our engineers examined all design and construction documents, all 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 (on-site engineer, senior engineer, and tax specialist) reviewed the cost segregation study and certified it's comprehensiveness as well as it's accuracy.

ESTIMATE OF BENEFITS AND SAVINGS

The initial benchmark estimate we provided Dr. Cremer showed a potential reallocation of \$220,890, or 33% to shorter recovery periods. The projected tax benefit was \$16,669 in first year savings with \$46,253 in current-year Net Present Value.

RESULTS

Our study resulted in a total of \$371,042, or 46.25%, being rescheduled to 5-, 7-, and 15-year property. As a result, Dr. Cremer saved over \$28,000 in first year tax payments and realized over \$75,000 in current-year Net Present Value.

** 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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