



# Segregation Holding

Cost Segregation Specialists  
www.SegregationHolding.com

CASE NO.  
**113**

## CASE STUDIES OF PROVEN PERFORMANCE

# Taxes Saved: \$1,129,469\*

## Automotive Dealership

### ENGAGEMENT OVERVIEW

*Segregation Holding was engaged by BMW Motor Cars to conduct a cost segregation study of their dealership. 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 BMW sales and service facility was constructed and placed into service in August 2005. The cost segregation study examined the retail showroom and offices as well as the parts and service departments and adjacent body shop with a total depreciable cost basis of \$12.8 million. The buildings consist of 61,287 square feet of space on 6.1 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 BMW Motor Cars showed a potential reallocation of \$1,590,099 or 20% to shorter recovery periods. The projected tax benefit was \$627,201 in first year income tax savings with \$375,633 in Net Present Value tax deferral for the current tax year.*

### RESULTS

*Our study resulted in a total of \$2,867,797 or 35.5% being rescheduled to 5- and 15-year property. As a result, the property owner saved \$1,129,469 in first year tax payments and realize over \$673,892 in current Net Present Value tax deferral.*

*\* 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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