



## What is cost segregation?

Cost segregation is a process to identify personal property assets that often get buried or lumped together within the real property asset.

Our consultants reclassify those asset costs to the shortest possible depreciable life to enable the real estate owner to maximize their tax depreciation deduction, thereby reducing current income tax obligations. If you are undertaking construction, renovation, or purchase of a building, you may be eligible for substantial state and federal tax savings.

Certain assets related to the project may qualify for accelerated depreciation, meaning you can take larger tax deductions over a shorter period. The benefits of larger tax deductions include increased cash flow and lower cost of capital in the first few years following a project or purchase. A cost segregation study, conducted by the qualified professionals at Miller Cooper & Co., Ltd., can help you identify opportunities to claim accelerated depreciation. Substantial tax savings for your business may lie in the floor beneath your feet, within the walls around you or even in the shrubs outside your building. But only a cost segregation study, performed by a qualified CPA, can tell you for sure.

### HOW MUCH CAN YOU SAVE?

Property owners often view building components as parts of the entire structure and depreciate everything over 39 years. But many expenditures fall into categories with much shorter depreciable lives. For instance, you may be able to define the parking lot as 15-year property, and landscaping and shrubbery for the outside of the building as 10-year property. You could also classify lighting and plumbing fixtures, as well as carpeting used in a new showroom, as seven-year property. Don't forget items such as electrical and ventilation systems, phone lines, computers, and furniture, which can be classifiable as five-year property.

Also, the current Section 179 expensing rules still apply for depreciation if you operate your business as a limited liability company and hold your building in that entity. And perhaps best of all, the fee for the cost segregation study that brings about these savings is generally only 10% to 20% of the resulting cash flow increase.

### WHAT WE OFFER:

- A dedicated staff of engineers
- Outsourcing capabilities for functions like engineering
- Full technical support
- No tax season delays
- Our tax and engineering professionals are specifically and uniquely trained in this technical area of taxation and construction approach
- We have researched all of the IRS rulings and court cases as they relate to cost segregation
- We have experience with IRS audits pertaining to asset allocations

### WHO BENEFITS?

- Apartment complexes
- Automobile dealerships
- Distribution centers
- Fast food restaurants
- Food processing facilities
- Hotels / motels
- Manufacturing plants
- Medical centers
- Nursing homes
- Office buildings
- Retail chains
- Shopping malls
- Sports stadiums
- Supermarkets