



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
101

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$132,633* Dental Office Building

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by The Smile Ranch to conduct a cost segregation study of their dental office building. 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 child-friendly and family-friendly dentist office was constructed and placed into service in October 2009 with a total depreciable cost basis of \$1,715,000. The dental building consists of 6,320 square feet of dental operatories, separate waiting room and game room, laboratory, and office space. The building also contains a 1,244 square foot separate office space that is leased.

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 (on-site engineer, senior engineer, and tax specialist) reviewed the cost segregation study and certified its thoroughness as well as its accuracy.



ESTIMATE OF BENEFITS AND SAVINGS

The initial benchmark estimate we provided to The Smile Ranch showed a potential reallocation of \$260,787 or 25% to shorter recovery periods. The projected tax benefit was \$91,276 in first year savings.

RESULTS

Our study resulted in a total of \$378,951, or 35.5%, being rescheduled to 5-year and 15-year property. As a result, Dr. A, as her patients know her, retained \$132,633 in current year income tax benefits.

** 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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