



Segregation Holding

Cost Segregation Specialists
www.SegregationHolding.com

CASE NO.
110

CASE STUDIES OF PROVEN PERFORMANCE

Taxes Saved: \$28,958*

Car Lube & Service

ENGAGEMENT OVERVIEW

Segregation Holding was engaged by the owner of a local Kwik Kar Lube & Tune to conduct a cost segregation study. The objective of the study was to identify assets that could be moved to shorter recovery periods in order to accelerate depreciation and defer taxes.

PROPERTY OVERVIEW

The facility consists of a four-double-sized-bay building with reception and office space and a partial basement housing the under-carriage work area plus bin and tank storage for oil and other petro-chemicals. The building has a footprint of approximately 4,700 s.f. on a 1.12 acre site. The property has a cost basis of \$1,380,000 and was placed into service in July 2011.

ENGINEERING PROCESS

Our engineers examined all the design and construction documents, contractor payment requisitions, and other related data to determine the cost basis for every component of the building. Next, our engineer conducted an on-site study to identify, measure, quantify, and photograph the existence of all assets eligible for accelerated depreciation. Finally, our team (on-site 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 estimate we provided to the client showed a potential reallocation of \$72,758 or 16% to shorter depreciable lives. The projected tax benefit was \$19,918 in NPV savings for the current year with \$25,465 in federal income tax savings.

RESULTS

The cost segregation study reallocated \$71,309, or 31.2% of the assets to shorter recovery periods. As a result, the owner's current year NPV tax savings was \$23,408. In addition, the owner pocketed \$28,958 in current year income 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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