

Project Profile

TAXES SAVED:

\$245,896 - 1st Year

Restaurant



Engagement Overview

Accounting firm to conduct a cost segregation study on new construction of a restaurant. 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

This \$2,240,741 million development consists of new construction, both vertical and horizontal.

Engineering Process

Our tax and technical team examined all design and construction documents, contractor payment requisitions and other related data to determine the cost basis for all hard and soft costs involved with the project. Next, our engineer conducted an onsite study to identify and photograph all assets that qualify for accelerated depreciation. Further, our site engineer, costing engineer and tax specialist identified assets that qualify as "specialized use", i.e. outside normal use of that property.

Results

The cost segregation study identified and thus accelerated 39% in 5-year property and 9% in 15-Year property to shorter recovery periods. As a result, the property owner's tax savings is projected to be over \$245,896 for the current tax year.