

Cost Segregation Studies are one of the most valuable tax strategies available to owners of commercial real estate today. This increasingly popular phenomenon, offers facility owners the opportunity to defer taxes, reduce their overall current tax burden, and free up capital by improving their current cash flow. Virtually every taxpayer who owns, constructs, renovates, or acquires a commercial real estate structure stands to benefit from a cost segregation study.

Depreciation is a non-cash tax deduction which reduces federal income taxes. Commercial real estate owners often overlook a tax reduction opportunity by using simplistic methods to develop their depreciation schedules. Federal income tax preparation has become complex often involving CPAs, accountants and tax lawyers. However, even these experts do not have the depth of knowledge in all areas to affect all possible tax cuts. Commercial property owners seeking federal income tax relief should consult a cost segregation specialist. Cost segregation increases tax deductions by accurately depreciating real estate.

Cost segregation is not a tax shelter or tax evasion scheme. It is an IRS defined and guided tax reduction tool. Commercial property owners are often uncertain how to seek tax tips or tax advice. Tax preparation should include a team. Taxpayers with real estate investments will generate more tax deductions by including a cost segregation expert on their team.

The practice of Cost Segregation has been around for decades. However, recent changes to the law and court decisions have made it more beneficial. Ninety-percent of all commercial property investors are overpaying their federal income taxes, leaving a rather large untapped market for anyone able to offer these services. Though it has been around in its current form, since 1987; Cost Segregation was for some time, almost solely offered by Big 4 accounting firms and a handful of large real estate consulting companies, both of which tend to work with Fortune 1000 companies. With very few qualified practitioners for small to medium size taxpayers, the service was not cost effective. Within the last few years, however, Cost Segregation has become available, at a very reasonable cost, to smaller companies and individual property owners.

"Cost Segregation is a lucrative tax strategy that should be used in almost every major purchase of Commercial Real Estate." -Wall Street Journal, June 2003

To initiate a Cost Segregation Study for your Commercial Property contact:

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