



MOST FREQUENTLY ASKED QUESTIONS on Cost Segregation

1. Why can't my CPA do this?

Cost Segregation Analysis is relatively new and MOST CPAs do **NOT** have the technical expertise or in-house engineers that can perform these studies. The CSA engineers are experienced at construction materials, cost estimating, reviewing specifications and valuing the components of a building in relation to the pertinent tax laws. The engineering expertise is important because it is what the IRS states is necessary to meet the standards of a "Quality" cost segregation study.

More importantly...we work with your Accountant or CPA to ensure you get the maximum possible BENEFITS, while minimizing RISK. All at a compelling price.

2. Why hasn't my accountant told me about this?

There are a large number of CPA / Accountants from both Large Firms (i.e. big four) to the one person shop that are not aware of the potential and benefits available since the IRS ruling in 1997. Because most firms do not have the technical / engineering expertise in-house it is not the first strategy recommended.

Cost Seg Advisor (CSA) give seminars to CPA's across the country, where they earn continuing professional education (CPE) credits. Our objective is to educate and inform those parties on the possibilities and how they can utilize Cost Segregation firms, such as CSA as a resource to maximize their clients tax benefits. **Your study should be conducted by someone with proven experience in the field.**

3. Which Property Types have the highest Savings potential?

The following are Eligible percentages by Property Type that an owner should expect to be reclassified from a real to personal property – *accelerating depreciation*

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|-----------------------------------|-----------|------------------------------------|-----------|
| Assisted Living / Ambulatory | 15% - 25% | Office Building | 20% - 40% |
| Apartment / Multi-Family Bldg | 20% - 35% | Parking Deck and Garage | 5% - 10% |
| Auto Dealership | 25% - 50% | Printing Facilities | 15% - 30% |
| Bank Buildings | 15% - 30% | Research & Development | 20% - 60% |
| Computer Data / Technology Center | 20% - 60% | Restaurants / Chains / Independent | 20% - 40% |
| Distribution | 5% - 15% | Retail Store | 20% - 30% |
| Fitness Center / Health Club | 20% - 30% | Self Storage Facility | 20% - 60% |
| Golf Course | 20% - 40% | Shopping Center | 10% - 30% |
| Grocery Stores | 20% - 30% | Warehouse | 5% - 10% |
| Healthcare (Medical / Dentist) | 20% - 50% | | |
| Hospitality / Hotels | 20% - 30% | | |
| Industrial / Manufacturing | 20% - 60% | | |