



Partnership Capital Solutions, LLC

A Net Branch of Commercial Capital, LTD

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Cost Segregation Analysis

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. 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.....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....."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

Have we perked your interest of using at least one of our Lenders! Even if you decide not to take advantage of any commercial lender services...if you fall within the 4 questions below, then you need to take advantage of this:

- 1) Do you own property with a \$1mill or higher valuation?
- 2) Pay Federal Income Taxes?
- 3) Operate For-Profit Entity?
- 4) Plan on holding property for at least 1 more year?

Every dollar of depreciation claimed today is worth one dollar of tax deduction, but every dollar of depreciation claimed 39 years from now is only worth a small fraction of that.

