

Tax Savings Resulting From a Cost Segregation Study of

Sample Medical Office Building

Property Class	With Study		Taxpayer Analysis		Acquisition/Construction Cost	10,000,000
	Percentage Concluded	Depreciable Basis	Percentage Concluded	Depreciable Basis		
5 Year Property	15.30%	1,530,000	0.00%	0	Tax Rate	35%
7 Year Property	0.00%	0	0.00%	0	PV Factor	8%
15 Year Property	6.40%	640,000	0.00%	0		
39 Year Property	78.30%	7,830,000	100.00%	10,000,000		

Cost Segregation Analysis

Year	5 Year	7 Year	15 Year	39 Year	Total Depreciation With Study	Depreciation with Taxpayer Analysis	Timing Difference	Tax Effect of Timing Difference 35%	Present Value of Tax Effect @ 8%
1	306,000	0	32,000	108,915	446,915	139,100	307,815	107,735	99,755
2	489,600	0	60,800	200,761	751,161	256,400	494,761	173,166	148,462
3	293,760	0	54,720	200,761	549,241	256,400	292,841	102,494	81,363
4	176,256	0	49,280	200,761	426,297	256,400	169,897	59,464	43,708
5	176,256	0	44,352	200,761	421,369	256,400	164,969	57,739	39,296
6	88,128	0	39,872	200,761	328,761	256,400	72,361	25,326	15,960
7		0	37,760	200,761	238,521	256,400	(17,879)	(6,258)	(3,651)
8		0	37,760	200,761	238,521	256,400	(17,879)	(6,258)	(3,381)
9			37,824	200,761	238,585	256,400	(17,815)	(6,235)	(3,119)
10			37,760	200,761	238,521	256,400	(17,879)	(6,258)	(2,898)
11			37,824	200,761	238,585	256,400	(17,815)	(6,235)	(2,674)
12			37,760	200,761	238,521	256,400	(17,879)	(6,258)	(2,485)
13			37,824	200,761	238,585	256,400	(17,815)	(6,235)	(2,293)
14			37,760	200,761	238,521	256,400	(17,879)	(6,258)	(2,130)
15			37,824	200,761	238,585	256,400	(17,815)	(6,235)	(1,966)
16			18,880	200,761	219,641	256,400	(36,759)	(12,866)	(3,755)
17				200,761	200,761	256,400	(55,639)	(19,474)	(5,263)
18				200,761	200,761	256,400	(55,639)	(19,474)	(4,873)
19				200,761	200,761	256,400	(55,639)	(19,474)	(4,512)
20				200,761	200,761	256,400	(55,639)	(19,474)	(4,178)
21				200,761	200,761	256,400	(55,639)	(19,474)	(3,869)
22				200,761	200,761	256,400	(55,639)	(19,474)	(3,582)
23				200,761	200,761	256,400	(55,639)	(19,474)	(3,317)
24				200,761	200,761	256,400	(55,639)	(19,474)	(3,071)
25				200,761	200,761	256,400	(55,639)	(19,474)	(2,843)
26				200,761	200,761	256,400	(55,639)	(19,474)	(2,633)
27				200,761	200,761	256,400	(55,639)	(19,474)	(2,438)
28				200,761	200,761	256,400	(55,639)	(19,474)	(2,257)
29				200,761	200,761	256,400	(55,639)	(19,474)	(2,090)
30				200,761	200,761	256,400	(55,639)	(19,474)	(1,935)
31				200,761	200,761	256,400	(55,639)	(19,474)	(1,792)
32				200,761	200,761	256,400	(55,639)	(19,474)	(1,659)
33				200,761	200,761	256,400	(55,639)	(19,474)	(1,536)
34				200,761	200,761	256,400	(55,639)	(19,474)	(1,422)
35				200,761	200,761	256,400	(55,639)	(19,474)	(1,317)
36				200,761	200,761	256,400	(55,639)	(19,474)	(1,220)
37				200,761	200,761	256,400	(55,639)	(19,474)	(1,129)
38				200,761	200,761	256,400	(55,639)	(19,474)	(1,046)
39				200,761	200,761	256,400	(55,639)	(19,474)	(968)
40				92,159	92,159	117,700	(25,541)	(8,939)	(411)
Total	1,530,000	0	640,000	7,830,000	10,000,000	10,000,000	(0)	(0)	340,830

Net Present Value Benefit \$340,830