



Cost Segregation Success Story



Industry
Boat Manufacturer

Location
Ashland City, TN

Project Type
**Cost Seg Study/
Fixed Asset Analysis**

APPROACH: After performing a thorough on-site inspection and review of the facility's blueprints, our consultants identified four types of Section 1245 Personal Property within the 2019 project. These personal property assets – all bonus depreciation eligible – made up 35% of the project's total costs. In addition, we reclassified 10% of the project costs as Qualified Improvement Property due to the renovation of general interior finishes, water heaters, and general lighting within the building's footprint.

TIMING: Project finalized 30 days after site visit.

TOTAL BENEFIT:

Our team maximized potential savings and exceeded our original projections for the project, including:

63%

of project's assets reclassified
out of 29-year property into
shorter tax lives

4x

Quadrupled our projected
increase in first year cash flow

Who makes a great cost segregation prospect?

If you have clients in real estate or property management, the following questions and qualifications regarding their business could indicate a Fixed Asset Opportunity:

- Have you purchased or constructed a building with a cost in excess of \$750,000?
- Have you made renovations to your facility?
- Are you maintaining depreciation records for many fixed assets?

Since 2014, McGuire Sponsel and LBMC have partnered to provide first-class service with integrity that brings value to LBMC's clients. As a national specialty tax consulting firm, McGuire Sponsel offers Research & Development Tax Credits, Fixed Asset Services including Cost Segregation, Global Business Services and Credit and Incentive Services. Contact Mike Dalman for more information and to get started.



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