

4 Tax Tips for Commercial Building Owners

The Tax Code recently overhauled the regulations for commercial property owners in one of the most dramatic changes to the tax law in years. The Tangible Property Regulations or “Repair Regs” have major economic benefits for building owners as well as serious compliance issues.

Properly applying these new standards can help you capture economic opportunities in the tens to hundreds of thousands of dollars from income tax benefits.

Talk with your tax professional and allow CSSI to be your calculation experts for the following:

1. Cost Segregation

The method of identifying and classifying building components that allow you to accelerate depreciation and generate additional cash flow. An engineering-based cost segregation study is the basis for allowing you to capture many of the tax savings opportunities below and it helps you maintain IRS compliance moving forward with these regulations.

2. Building Systems Valuation

An engineering-based study that will identify and value building systems and structural components. Going forward every expenditure cannot be expensed. The regulations give very specific regulations on whether expenditures should be capitalized as an “improvement” or expensed as a “repair.”



3. Capital to Expense "Reversal" Opportunity.

Building owners may now reverse previously capitalized costs and expense them in the current year by applying the new regulations to prior years. For example, CSSI helped a client receive \$1.1 Million in tax savings on one of his properties in 2014.

4. Partial Asset Disposition (PAD)

Renovate in 2017? Thinking of an LED lighting upgrade? A PAD allows you to write down the basis of what you removed and the costs for the removal and disposal of those items. You can receive a tax deduction in the current year but it is a “use it or lose it” opportunity. Fail to capture it in the current tax year and you lose the ability to write it down. Both capital to expense reversals and PADs yield a permanent tax savings at the time of sale by reducing recapture costs.

Let CSSI Provide a No-Cost analysis!

All we need is a Tax Asset Detail Depreciation Schedule

Greg - Over 520 projects in 32 states. CSSI has successfully completed over 15,000 projects Nationwide.

The CSSI Team are the “Calculation Experts” for the repair regulations and the premier company for engineering-based cost segregation studies in America. CSSI partners with Eric Wallace, a CPA and national repair regulation guru, in providing these solutions to tax preparers and building owners.

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