

I have represented CSSI for 8 years and bottom line we bring significant income tax benefit to owners of depreciable real property. I have done 540+ projects in 32 states so far. Income tax Deferral over \$68,000,000. Very humbly I tell you my production for CSSI as last reported is 4th in the nation.

The benefit is derived through accelerated depreciation and the inherent expensing benefits available from the 2014 Tangible Property Regulations. Now with the new Tax Cuts and Jobs Act, cost segregation companies are going to be even more in demand to provide source documents that identify and quantify components eligible for Bonus, Section 179, QIP, other accelerated depreciation.

Every property owner should consider cost segregation and take advantage of the no cost front end quantification to see if they qualify.

- Value of conversation – typically tens to hundreds of thousands of dollars
- New found cash flow –interest free loan from gov’t w/ lenient repayment
- Income Tax Deferral - Time value of money is key! Attractive ROI.
- + Cash flow = better debt service coverage, W/C, Deposits, Capital Expenditures
- Identify and Quantify components eligible for favorable treatment
- Tax Code compliant format
- Component detail facilitates acceleration deductions & disposition expense
- Identification of building systems/major structural components provides better opportunity to expense versus capitalization (significance ratio test)
- Time sensitive for 2017 renovations for removal cost and partial disposition
- 2017 when rates are the highest and deductions are the most valuable

First step – obtain the Tax Asset Detail Depreciation Schedule:

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Tax Asset Detail 1/01/09 - 12/31/09

FYE: 12/31/2009

Asset Id	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
1	Land	2/27/09	450,000.00	0.00c	0.00	0.00	0.00	0.00	450,000.00	Land	0.0
2	Building	2/27/09	4,340,000.00	0.00c	0.00	0.00	97,371.79	97,371.79	4,242,628.21	S/L	39.0
3	Furniture & Equipment	2/27/09	660,000.00	0.00c	0.00	0.00	94,285.71	94,285.71	565,714.29	200DB	7.0
4	Sitework & Improvemets	2/27/09	500,000.00	0.00c	0.00	0.00	25,000.00	25,000.00	475,000.00	150DB	15.0
5	Deferred Closing Costs	2/27/09	72,176.92	0.00c	0.00	0.00	3,308.11	3,308.11	68,868.81	Amort	20.0
Grand Total			6,022,176.92	0.00c	0.00	0.00	219,965.61	219,965.61	5,802,211.31		