

Income Tax Deduction

In a real estate investment property, most of the business equipment costs are combined into with the total project cost which has depreciated at a life of 27.5 or 39 years. Cost Segregation can identify significant amounts of the business components cost that would regularly depreciate over 27.5 or 39 years at a shorter life. In most cases, it is not hard to find 30% or more of the total project cost should be identify as business components and received a short depreciation life. When the 30% of the business components are depreciated at a short life, the result will increase depreciation deductions, increase cash flows and maximize returns on investments.