

Cost Segregation Benefits for Manufacturing Plants

Apartments - Hotels - Manufacturers - Offices - Restaurants - Retail Plazas - Warehouses

A \$3 million manufacturing plants generates a lot of revenue each year, and even after factoring different costs and upkeep, there are still sizeable amounts of taxable income to be had. After completing a Cost Segregation Study the manufacturing plant can save \$32,637 over the traditional straight-line deduction, and \$106,900 from year one to six. Should the business reach its depreciable life, a Cost Segregation Study can save the manufacturer \$107,532.

Cash Flow Increased in year 1 \$ 32,637 Cash Flow Increased in year 1-6 \$ 160,900 Net Present Value (NPV) \$ 142,525 Combined Tax Rate 41% Net Present Value Factor 8%

Asset Class		Percent	Reclassified		Depreciable	
Basis	5 - Year Property	5%	150,000	7 - Year Property	10%	300,000
12%	360,000	39 - Year Property	73.0%	2,190,000	Total Real Property	\$ 3,000,000