

Ready for a free analysis?

With just a few pieces of information, AMD can prepare a free analysis to determine how much will be able to be reclassified to shorter-lived assets. All we need is:

Information for new construction:

- ◆ Total cost of construction
- ◆ Copy of contractor application for payment
- ◆ Location and square footage of property
- ◆ Total acreage of site improvement
- ◆ General property description/use

Information for change in ownership:

- ◆ Copy of most current appraisal
- ◆ Total purchase price
- ◆ Location and square footage of property
- ◆ Total acreage of site improvement
- ◆ Age of facility
- ◆ General property description/use

A solid case for cost segregation: AMD's engineering-based approach

IRS rulings and judicial decisions have upheld the assignment of shorter lives resulting in accelerated depreciation for equipment and fixtures installed in commercial buildings, allowing for substantial tax savings for many property owners. Performing a cost segregation study provides the required documentation to comply with strict IRS guidelines. AMD provides a report containing full documentation by employing engineering and cost estimating procedures required by the IRS supporting all reclassifications made. As a result, your company will have comfort knowing that all reclassifications have been carefully valued and analyzed resulting in more cash flow.

PROVIDING SOLUTIONS

We are accountants, **SINCE 1965** consultants, valuation and business litigation experts, advisors, , technology **solution providers** and financial planners. Since our founding four decades ago, AMD has delivered **full service** accounting, tax and consulting services to the business marketplace and individuals. Our continuous growth is attributed to our philosophy of going beyond traditional accounting services by linking **sophisticated technology** with personal expertise to provide the highest quality service possible.



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COST SEGREGATION STUDY

AMD CAN HELP MAXIMIZE PROPERTY VALUE



SAVE TAX DOLLARS ON PURCHASED AND CONSTRUCTED FACILITIES

Valuable tax savings in buildings

Your company's real estate holdings constitute a huge capital investment. An engineering-based cost segregation study can maximize your real property's financial return by generating significant cash flow savings. Our cost segregation professionals generate tax savings by carving out qualifying assets that are normally imbedded in a building's construction or acquisition cost and assigning a shorter asset life.

Instead of depreciating certain building components as 39 or 27.5-year property, these costs can be reclassified and depreciated over 5, 7 or 15 years. A Real Estate Cost Segregation Study can help you identify construction or expansion costs which can be reclassified generating significant tax savings.

What is a cost segregation study?

- ◆ A process of reviewing and analyzing the costs a company incurs to acquire, construct, or expand its real estate holdings.
- ◆ Identifies specific types of asset costs that qualify for more favorable tax treatment (i.e, shorter depreciation lives).
- ◆ Construction-related soft costs may also be allocable to the shorter-lived assets.
- ◆ The result is a faster write-off of asset costs that would typically have been classified as real property.

Performing a cost segregation study will generate federal, state and local tax savings. AMD's cost segregation studies will accelerate income tax depreciation deductions resulting in additional cash flow for your company.

What buildings qualify?

Post-1986 real estate construction, building acquisitions or improvements where no cost segregation study has been performed.

AMD can "mine out" buried savings from:

- ◆ New buildings currently under construction.
- ◆ Office/facilities leasehold improvements.
- ◆ Existing buildings undergoing renovations, remodeling, restoration or expansion.
- ◆ Buildings purchased or constructed within the last 10 years.

For a building purchased or constructed within the last 10 years, the increased cash flow can be substantial as the entire depreciation adjustment resulting from changing assets to a shorter life is deductible in the current year.