

What is Cost Segregation?

Cost Segregation is an engineering view to classifying assets within a building or property that can be shifted to another much shorter depreciation class. It is like sorting your property into different categories not used before. It is dividing the components of the property so that the usual 39 years of depreciation is much less so taxes are not paid on a long term basis. (27.5 years for apartment buildings only)

Why can't my accountant perform the analysis?

The IRS requires that the **Cost Segregation Study** be performed by an expert: an engineer, an architect, an appraiser or a certified cost estimator, competent in design, auditing, finance, and construction. We have engineers with accounting backgrounds who perform our studies. They confer with our appraisers, licensed tax consultants, architectural engineers and property inspectors.

If I use a cost-segregation analysis, will the IRS target me for an audit?

The IRS continues to uphold and improve the U.S. Tax Court Decision of 1997 as well as enacting 2002 and 2003 Tax Acts that allow for a retroactive study. The IRS has also published Revenue Procedure 2004-11 which validates that the taxpayer does not need IRS approval or amended returns in a retroactive study. Check the IRS technique guides on their website <http://IRS.constsegadvisor.com>.

Who qualifies for the savings.....

Cost Segregation includes all types of Commercial and Industrial Property such as:

- Golf Courses
- Casinos
- Entertainment Properties
- Shopping Centers
- Hotels and motels
- Commercial Buildings
- Amusement Parks
- Laundromats
- Computer Data Centers
- Distribution Centers
- Laboratories
- Apartment Buildings
- Office Complexes
- Warehouses
- Manufacturing facilities
- Hospitals and medical offices
- Airport Hangers
- Parking Garages
- Car dealerships
- Nursing homes/Senior Living Facilities
- Grocery stores
- And more

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Claim the Money You Deserve!

Cost Segregation is a Legal Way to Put Money in Your Pocket

Cost Segregation is a service of **Indiana Property Tax Consultants, Inc.**

How you can save

Would you invest a nickel for a dollar in return? It is possible with cost segregation. We are one of the few **Cost Segregation** Specialists in the country with an accomplished and experienced staff dedicated to this type of analysis. Our experts are trained and licensed not only in accounting and finance but also in architecture, taxes, valuation, engineering and construction.

This allows us to identify and segregate personal property assets from real structural building costs. This means significant tax savings for you.

How saving is possible

This is a gateway to great savings through re-classification of costs, depreciation deductions and income tax reduction, all under IRS guidelines. Under the 1997 law, this study must be completed by an engineer, architect, appraiser or cost estimator with cost segregation expertise.

Our experts are on staff and prepared for extensive research to offer commercial and industrial property owners the savings they deserve. Our specialists offer a free estimate with a visit to your property or a consultation with you. This general value allows you to see the possibilities of increasing your cash flow.

How much can be saved?

Since each property is different, there is not a standard savings. The average retention of cash flow is \$200,000 for every \$1,000,000 of the long term depreciated property that is reclassified. The CSS may reclassify from 10% to 40% of a property's total costs to a short recovery time.

The Great Eight steps to savings!

- 1. Contact us for a FREE assessment of your property through client information. We prepare a preliminary estimate that documents our findings and we consult with you on our fees.**
- 2. If the estimate fulfills your needs, we schedule a visit and gather all necessary documents.**
- 3. Your on-site inspection is completed by an engineer and other licensed specialists.**
- 4. We analyze the data in-depth using several standardized programs and IRS approved methods.**
- 5. We provide a Preliminary Draft to discuss with you.**
- 6. We will meet with your CPA if necessary.**
- 7. We deliver the most comprehensive report in the industry at a reasonable fee. Our report contains all support materials, photographs and evidentiary charts and graphs.**
- 8. We assist in completing the IRS 3115 form.**

How it works

The **Cost Segregation** professional identifies which components of your property can be assigned tax periods of five, seven or fifteen years rather than the standard 27.5 or 39 years. Only a specialist who knows the property components can complete the analysis. It is especially true for developers who choose to work directly with **Cost Segregation** specialists during planning stages of a project and who want money in their pockets today rather than years later.



When the property owner sees the savings, we discuss our fee and schedule the onsite visit with our engineer, tax consultants, appraisers and our other certified and licensed specialists. We gather all of the data and prepare the most in-depth report in the industry. Our documentation is unsurpassed. Then we utilize the report to complete the IRS form 3115 so you can realize your savings immediately!