

# Stambaugh Ness

## Cost Segregation Studies

### What is a Cost Segregation Study?

A cost segregation study is an in-depth engineer-based analysis of the costs associated with the acquisition, construction, or renovation of a building. This strategic tax planning tool is designed to accelerate tax depreciation deductions and increase cash flow.

### How Does a Cost Segregation Study Work?

During a cost segregation study our tax specialists will evaluate building improvements to determine if they are real property (depreciates over 39 years) or, personal property that can be depreciated over 5, 7, or 15 years or even qualify for immediate write off.

Following our initial analysis we will reclassify qualifying property to initiate faster write-offs and accelerated cash flow.

### What Qualifies for a Cost Segregation Study?

A cost segregation study can be performed on any of the following:

- New construction
- Renovations and/or expansions
- Leasehold improvements (paid by tenant or landlord)

### What are the Associated Benefits?

- An immediate increase in cash flow
  - Reduced tax liability
- Deferred federal and state income tax
- Ability to retro-actively claim depreciation deductions from prior years

### How is the SN Approach Different?

We bring a deep knowledge and understanding of both the construction and engineering industries, including the nuances and tax strategies unique



*“Uniquely positioned with expertise in engineering and construction, our tax professionals are skilled in delivering valuable and significant savings to clients through cost segregation studies.”*

*Tom Moul,  
Director of Strategic Tax Advisory*