

We Understand Construction...

Our engineering approach –

Review project drawings and specifications to identify construction related assets that qualify for accelerated depreciation

Review copies of approved contractor pay requests, change orders, and invoices to segregate costs properly

Develop a list of construction cost for which a breakdown is required from the contractor. If the cost cannot be identified, we will utilize our engineering expertise to price the assets using nationally recognized cost estimating materials.



Our thorough analysis includes:

Allocate project indirect costs, such as contractor's general conditions, architectural and/or engineering fees, permits, etc. – to all project related assets.

Inspect the facility to ensure that all components are accurately reported, and land improvements identified.

Prepare a written report – with detail to support our findings, with references to court cases, revenue rulings, and tax citations including photographs and plat.

Are the benefits substantial?

The actual cash savings from a cost segregation study could exceed 10 times our fee! We can quickly provide a "preliminary estimate" on the potential savings. Call us today with the details on your building project.

Additional Services:

- IRC 179D Energy Efficient Building Deduction
- LEED Certification



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Cost Segregation



We Search for Hidden \$\$\$

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COST SEGREGATION SPECIALISTS

What is a cost segregation study?

Cost segregation is a process of delineating personal property costs, from real property costs, for new construction, acquisitions, and renovations. Our specialists help you maximize your allowed Federal Tax depreciation for qualifying personal property and other tangible property components.

Cost Segregation analyzes and identifies those construction components necessary to support business operations and/or processes versus construction components required for the operation of the building.



Who benefits from a cost segregation study?

Any Taxpayer who has built a new facility, acquired real estate, or completed a remodeling/renovation project – will benefit from our cost segregation study. In addition, with “look-back” provisions, taxpayers can go back as far as 1988 for a one-year catch-up in allowed depreciation.

Return and/or Benefit from Cost Segregation?

Current depreciation rules follow the Modified Accelerated Cost Recovery System (MACRS). Under MACRS, a newly acquired or constructed building is depreciated over a 39-year life, on a straight-line basis. Our specialists identify assets that under MACRS rules can be classified as Personal Property allowing them to be depreciated over 5, 7, or 15 years, on an accelerated basis.



How does this benefit your company?

Every dollar of Building cost, (39-yr. property) reclassified as (15yr., 7-yr., or 5-yr life class property) can result in tax savings between 2-5% of the project cost. (Example: **Cost Segregation** on a new \$10M building could = tax savings of \$200,000-\$500,000).

- Maximize your federal tax depreciation
- Improve cash flow
- Create Basis for future taxes
- Identify assets for future retirements
- Reduce real estate transfer taxes
- Reduce real estate property taxes

Business and Facilities that typically benefit from Cost Segregation Studies:

- Office Buildings
- Manufacturing Centers
- Distribution Centers
- Hospitality Facilities
- Auto & Truck Dealerships
- Retail Establishments
- Restaurants
- R&D Facilities
- Apartment Complexes
- Hospitals & Medical Centers
- Data Centers



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