

THE MOST IMPORTANT QUESTION NOBODY ASKS

Not All Studies Find the Same Thing.

Why the methodology your cost segregation firm uses determines your deduction — and what most property owners never find out

"The cheap study is never cheap. The property owner pays for it on every tax return, for every year they hold the building."

— JIM DOUGHERTY · 14 YEARS IN COST SEGREGATION

Two studies on the same \$1 million building can produce results that differ by \$60,000 to \$150,000. Same property. Same tax rate. Same IRS rules. The only difference is how thoroughly the firm analyzed what was in the building.

THE GAP — IN REAL DOLLARS

What Studies Priced Under \$2,900 Leave Behind

\$52K**\$350K rental.**

Left behind. Permanently. Gone the day you file.

\$150K**\$1M building.**

Per million of property value. Every time.

\$450K**\$3M building.**

When software averages replace real engineering.

WHY THIS HAPPENS

Every Decision a Cost Segregation Firm Makes Is Either in Your Interest or in Theirs.

When a firm uses IRS Approach 4 (residual studies) — where they cherry-pick the obvious items and bundle everything else including MEP into 39-year (commercial) or 27.5-year (residential) depreciation — or IRS Approach 5 (software modeling studies typically priced under \$2,900) — where they run your building through modeling software with minimal engineering — ask who benefits. Their cost drops significantly. Your deduction drops by \$60,000 to \$150,000 per million.

When a firm outsources your analysis to teams overseas — their own employees or outside contractors — ask who benefits. Their margins go up. Your analysis goes to people who have never seen your building.

A fully engineered study counts every component individually — every electrical circuit, every plumbing run, every mechanical system. That takes weeks. That costs real money to produce. And it cannot be done for \$2,900.

Three Questions That Reveal Everything About a Study's Quality

- Q1 "Which IRS approach number do you use — by number?"** The correct answer is Approaches 1 and 2. If they cannot answer immediately, or use phrases like "industry-leading software," they are using Approach 5 modeling.
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- Q2 "Can I see a component unit detail schedule from a completed study?"** A real study shows every component listed individually. Software output shows category totals. The difference is visible instantly.
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- Q3 "How many IRS audits has your firm defended — and what was the outcome of every one?"** Cost Seg America: 125+ audits. Zero losses. Zero dollars ever returned. Ask any firm you are evaluating for their number.

THE FIRM THAT ANSWERS ALL THREE CORRECTLY

Cost Seg America · IRS Approaches 1 & 2 · 125+ Audits · Zero Losses

100% U.S.-based. Every component individually counted. Every MEP system individually valued. The \$200,000 to \$450,000 in additional Year 1 deductions per million that real engineering finds is your money. You deserve a firm that finds all of it.

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