



MAXIMIZING CASH FLOW

## PROJECT PROFILE: Gas Station/Convenience Store

# TAXES SAVED: \$242,351

*Gas Station/Convenience Store*



*Tax Savings: \$242,351\**

### **Property Overview:**

The gas service station/convenience store was constructed and placed in-service on April 18, 2006 with a total development cost of \$1,180,736. The convenience store occupies 2,833 square feet on a parcel of 1.104 acres.

### **Engineering Process:**

The project engineer examined all design and construction documents, contractor payment requisitions and other related data to determine the cost basis for every component in the building. Next, the project engineer conducted an on-site study to identify, measure, quantify and photograph all assets eligible for accelerated depreciation.

### **Results:**

The study resulted in \$642,878 or 54.4% of the assets being moved to 5-year depreciable life and \$537,858 or 45.6% of the assets being moved to a 15-year depreciable life.

As a result, the property owner saved \$133,881 in taxes for the first tax year and \$242,351 net present value\* over the next 10 years.

### **Note:**

Convenience stores greatly benefit from cost segregation studies because many buildings meet the IRS guidelines and can qualify as a 15-year depreciable life.

\*represents the 10 year net present value savings (NPV) using a 6% discount rate

### **Contact:**

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