

Accelerated Cost Recovery

MAXIMIZING VALUE THROUGH KNOWLEDGE™

Property owners can maximize cash flow by deferring income tax payable to future years. An easy way to achieve this is by depreciating as quickly as possible the cost of building or acquiring assets. Adams Capital's accelerated cost recovery services show property owners how to most beneficially classify the costs incurred for newly constructed or purchased facilities according to the Modified Accelerated Cost Recovery System ("MACRS") for federal income tax purposes. Our procedures identify qualifying personal property, including carpeting, window treatments, electrical, plumbing, and HVAC equipment which may be depreciated over a shorter life than the building. This process involves detailed engineering analysis of architectural drawings and construction costs as well as detailed knowledge of over 3,000 court cases and revenue rulings.

The benefits of a cost segregation project vary according to the type of facility and construction, construction quality, and project cost. However, the net present value benefit can be reasonably estimated based on initial project budget data and our prior experience with over 1,000 properties.

Adams Capital, Inc. accelerated cost recovery projects follow sound engineering and cost estimating procedures and are structured to provide a clear and detailed audit trail. From construction drawings and on-site measurements, we estimate quantity and costs for each building component and land improvement. The property items are categorized according to MACRS classifications and the category costs are then allocated to the total costs of construction or purchase price. Available construction drawings are marked to assist in the identification of components described in the report and to provide substantiation and documentation for the recommended classifications.

The professionals at Adams Capital, Inc. are experts in performing cost segregation projects to assist in cash flow maximization.