

## Is your building a candidate for a cost segregation study?

Do you have:

- A new building under construction?
- An existing building undergoing renovation or expansion?
- A leasehold improvements or "fit-out"?
- A previously owned property that you have acquired?

If the answer is yes to any of the questions, then your building may be a candidate for a cost segregation study. Look inside to discover how we can help you save on taxes and improve your company's cash flow.



Does your building qualify for a cost segregation study? Contact us today to find out. We'd like to be your partner in success.



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# Increase your company's cash flow. We can help.

**Cost Segregation Studies**



**HONKAMP KRUEGER & CO., P.C.**

*CPAs & Business Consultants*

# Save on taxes and increase cash flow

## What is a cost segregation study?

A cost segregation study is a comprehensive analysis of constructed or acquired commercial buildings to identify hidden potential for accelerating tax depreciation deductions. Depending on the type of building and special design features, 15 – 50% of costs can generally be reclassified to shorter depreciable lives.

## What qualifies for a study?

To be eligible, buildings have to have been purchased, constructed, expanded or remodeled since 1986. To be cost effective, a cost segregation study typically should be conducted on buildings worth \$500,000 or more. The most useful studies are on buildings still under construction.

## The most common types of buildings:

- Apartment complexes
- Automobile dealerships
- Distribution centers
- Fast food restaurants
- Food processing facilities
- Hotels/motels
- Manufacturing plants
- Medical centers
- Nursing homes
- Office buildings
- Retail chains/franchises
- Shopping malls
- Sports stadiums
- Amusement parks
- Supermarkets
- Casinos

## What qualifies for a study?

Cost segregation provides many benefits to business owners:

- Depreciation is increased in earlier years, resulting in lower federal and state income tax and an increase in cash flow.
- If you own a building placed in service as long ago as 1986, you can take a catch-up deduction in the current year for all of the depreciation missed in prior years.
- A properly documented cost segregation generates an audit trail which, if needed, can help resolve IRS queries at an early stage.

If you are ready to save on taxes and increase your cash flow with a cost segregation study, contact Honkamp Krueger & Co., P.C. today at 888-556-0123 or [cs@honkamp.com](mailto:cs@honkamp.com).



## Why HK for your cost segregation study?

The IRS has standards for what constitutes a properly performed and documented cost segregation study and it's important to work with someone that can provide an acceptable study that uses the appropriate methodology and maximizes the benefits to you. Honkamp Krueger has cost segregation specialists to conduct these types of studies. To determine if your project qualifies for a cost segregation study, contact us at 888-556-0123 or [cs@honkamp.com](mailto:cs@honkamp.com).