CAPSTAN
our strength. your tax savings.

RAISE YOUR GLASS:
Specialty Tax Incentives for Wineries & Vineyards

The wine industry is evolving. Baby boomers -- historically the largest consumer group -- are aging out, while younger generations favor other alcohols -- or no alcohol at all. Forward-thinking vintners are adapting by expanding offerings and transforming properties into destination venues. Specialty tax incentives can help fund that transition, freeing capital to reinvest in growth.

COST SEGREGATION

TURNING EXPANSION INTO TAX SAVINGS

As wineries add tasting rooms, event spaces, or new production facilities, a cost segregation study can reclassify key components for accelerated depreciation — producing immediate cash flow.

COMMONLY ACCELERATED ASSETS:

5 or 7-Year Property

- Machinery and supplies (crush tanks, presses, filters, barrels, bottling lines)
- Specialty electrical and plumbing
- Cabinets, lighting, mirrors, sound systems in tasting/event halls
- Commercial kitchen equipment

15-Year Property

- Vineyard infrastructure (irrigation, drainage, septic)
- Grapevines, steel wire, wood posts
- Landscaping, retaining walls, fences
- Paved lots, outdoor fountains, sidewalk

CASE STUDIES:

	PROPERTY DESCRIPTION	DEPRECIABLE BASIS	ACCELERATED %	1ST-YEAR TAX SAVINGS
ACQUISITION	Two event halls, office space, 28-acre vineyard	$1.88M	10.2% (5-yr) / 31.5% (15-yr)	$164,373
RENOVATION	Two wineries, tasting rooms, caves, admin building, pump house	$21.36M	14% (5-yr) / 22% (15-yr) / 28% (Qualified Improvement Property - QIP)	$4,654,631

Cost segregation helps wineries recover capital to reinvest in growth.

CAPSTAN
our strength. your tax savings.

215.885.7510 | capstantax.com

©2025 CAPSTAN. All Rights Reserved.

R&D TAX CREDIT

REWARDING INNOVATION IN WINEMAKING

Modern vintners constantly refine products and processes, and these day-to-day activities can earn them the R&D Tax Credit.

COMMONLY ACCELERATED ASSETS:

Qualifying Activities:

- Improving vineyard structures, irrigation, and soil blends
- Enhancing filtration, fermentation, or barrel-aging techniques
- Testing new grape strains or blends for flavor or aroma
- Creating organic, non-alcoholic, or seasonal varietals
- Extending shelf life or improving packaging
- Developing sustainable waste-management methods
- Designing vineyard management or e-commerce software

Qualifying Expenses:

- Employee Wages: viticulturists, oenologists, winemakers, lab staff, software developers
- Supplies: yeasts, nutrient solutions, experimental batches
- Contractors: 65% of costs paid to outside labs or consultants

Potential Benefit:

- Up to 10¢ per $1 of qualified R&D spending – the more you spend on R&D, the more there is to recover
- Federal benefit up to 10% of annual qualifying expenses
- State credits often available
- Start-ups may claim the Payroll R&D Credit — up to $500K annually

CASE STUDIES:

	KEY ACTIVITIES	QUALIFIED EXPENSES	CREDIT EARNED
SMALL WINERY	Created small test batch of new seasonal varietal	$564,971 wages + $4,262 supplies	$55,945
LARGE VINEYARD IN NAPA	In-house R&D + e-commerce expansion	$2.66M federal wages + $2.56M state wages	$427,699 (total: federal + state)

The R&D Credit grows with you, rewarding innovation year after year.

PARTNER WITH CAPSTAN

Helping CPAs Deliver Added Value

Cost Segregation and R&D Tax Credits can help your winery clients preserve capital, reinvest in operations, and remain competitive.

- Comprehensive engineering-based studies backed by deep industry experience
- Support for federal and state filings
- Expert guidance tailored to the wine industry

Let's raise a glass to smarter tax strategy -- together.

215.885.7510 | capstantax.com

©2025 Capstan Tax Strategies. All rights reserved.