CAPSTAN
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VETERINARY FACILITES

See What's Possible with Cost Segregation

WHAT IS COST SEGREGATION

- Engineering-based analysis that identifies and quantifies building components
- Components are then reclassified into shorter-lived tax categories, resulting in accelerated depreciation, tax deferral, and increased cash flow
- Front-loading of depreciation leverages the time value of money

WHY PERFORM COST SEGREGATION

- Accelerated depreciation can create $30,000-$200,000 in federal tax benefits for every $1M spent
- IRS-preferred strategy leverages your fixed assets while serving as an excellent asset management tool
- Vehicle for tax savings – study methodology provides data supporting a myriad of additional tax strategies on your property
- When dealing with a fit-out and/or renovation, bonus eligible Qualified Improvement Property is in play
- The Tangible Property Regulations may be applied in renovation scenarios
- In the case of energy-efficient construction or retrofits, the property may be eligible for 179D Deductions
- Engineers can generally accelerate 20-40% of assets in a veterinary center

WHICH VETERINARY OFFICE ASSETS ARE COMMONLY SEGREGATED?

- Shorter-lived 5-year assets may include:
  - Specialized Veterinary Equipment
  - Veterinary Equipment Sinks
  - Dedicated Veterinary Equipment Outlets, Wiring, and Piping
  - Exam and Break Room Cabinetry and Counters
  - Kennels
  - Carpet and Vinyl Flooring
  - Wallpaper and Window Treatments
  - Crown Molding and Custom Millwork
  - Decorative Lighting
  - Fire Extinguishers
  - Security Systems
- Shorter-lived land improvements may include:
  - Landscaping
  - Dog Runs or Fenced-In Play Areas
  - Paved Parking Lots
  - Sidewalks
  - Exterior decorative and site lighting

EXAMPLE NEWLY CONSTRUCTED FACILITY

- Single-story building with exam rooms, offices, waiting room, restroom, and parking
- Depreciable basis: $2,869,658
- Placed-in-Service 06/2021
- Engineers moved 20.1% to 5-year personal property, 16.6% to 15-year land improvements
- First Year Tax Savings: **$358,347**

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EXAMPLE ACQUIRED FACILITY

- Two-story animal hospital offering wellness care, dental care, routine surgery, and diagnostic imaging, plus a separate area for boarding
- Depreciable basis: $900,000
- Placed-in-Service 01/2024
- Engineers moved 15.9% to 5-year personal property, 17.6% to 15-year land improvements
- First Year Tax Savings: **$65,080**

EXAMPLE ACQUIRED MULTI-TENANT BUILDING

- Property includes large veterinary center, a pet supply store, and a “pet resort” providing boarding and grooming services
- Depreciable basis: $1,048,395
- Placed-in-Service 10/2024
- Engineers moved 15.0% to 5-year personal property, 22.4% to 15-year land improvements
- First Year Tax Savings: **$109,345**

WHERE CAN I LEARN MORE

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SCAN ME

VISIT - https://capstantax.com/cost-segregation-study-explained/

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Capstan Tax Strategies delivers engineering-driven specialty tax solutions that maximize the valuable tax benefits of real estate holdings. By complementing and collaborating with accounting firms, we arm commercial real estate owners, executives, and tenants with the data and analysis required to accelerate depreciation, maximize deductions, and capture tax credits.

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