

Banks

Client Profile

McGuire Sponsel performed cost segregation studies for a company that owned and operated banks throughout the Midwest. The client had been actively acquiring bank branches through new construction and by purchasing and renovating existing properties. From just over \$9 million in post-1986 property, \$7 million of assets were selected for review.

Our Process

McGuire Sponsel employees completed an engineering-based cost segregation analysis of the properties. Our specialists physically inspected each property and reviewed significant property documentation including all available blueprints and construction invoices. The deliverable report included detailed documentation and calculations for each property and cited tax law to support all asset classifications.

Study Results

Based on our study, the client was eligible to receive a catch-up depreciation deduction of nearly \$1.6 million on their current-year tax return. This adjustment, combined with adjusted depreciation deductions over the next several years, produced an estimated net present value of tax savings of more than \$480,000 over the remaining lives of the investments.

McGuire Sponsel determined that the client was eligible for a catchup depreciation deduction totaling close to \$1.6 million leading to more than \$480,000 in tax savings.

