

Indianapolis Fruit

Client Profile

McGuire Sponsel was contacted to perform a cost segregation depreciation analysis for Indianapolis Fruit, a distributor of fruits, vegetables and plants. Three distribution centers were studied and had a total investment of more than \$7.5 million not inclusive of land value. Our cost segregation study generated a \$1.1 million 481a catch up adjustment.

The Challenge

McGuire Sponsel's experienced professionals applied their knowledge of engineering, construction and architectural design, along with a thorough understanding of the IRS depreciation guidelines, to complete a cost segregation analysis of the properties in 2011. Our professionals completed a detailed site inspection and reviewed significant property documentation. The deliverable report included detailed documentation and calculations for each asset and cited tax law to support all asset classifications.

Study Results

Based on the study, Indianapolis Fruit was able to classify \$300,000 of land improvement property to a 15 year life and \$1.9 million of personal property to a five year life. The accelerated depreciation generated a \$1.1 million catch up adjustment for the client, resulting in substantial cash flow benefits.

McGuire Sponsel was able to help Indy Fruit increase cash flow by producing a \$1.1 million catch up adjustment.

