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### Consider A Tax Strategy That Delivers A Huge Financial Impact – Cost Segregation.

Rosemount, MN. February 10, 2009 -- If you own or lease a commercial property and you're looking for an opportunity to reduce your taxable income for 2008 or 2009, contact Capital Recovery Group to discuss the benefits of a cost segregation study.

At Capital Recovery Group, their main goal is to maximize tax opportunities for their clients. Their cost segregation studies provide a thorough analysis of a building's components with the goal of segregating personal property from real property. Upon completion of a study, the owner or accountant will have the proper documentation to capture or recoup substantial cash flow benefits by depreciating the qualified assets on a shorter life than the building. A typical cost segregation study can make a significant impact to the bottom line, and many times provides a direct financial benefit for a client that exceeds \$100,000.

So what exactly is cost segregation? Engineering based cost segregation is an IRS-approved tax methodology which allows commercial property owners to take certain IRS-qualified assets that have been classified as 27 ½ or 39 year real property and reclassify them as more rapidly depreciating personal property or land improvements. This reclassification results in significant cash flow benefits in both current and future years through substantially shorter depreciable tax life using an accelerated depreciation method.

Andy Meisner, Capital Recovery Group's President, stated that "A cost segregation study provides a great opportunity for a commercial property owner to earmark money that they would otherwise be paying in taxes and put it to better use purchasing new equipment, improving cash flow for their business or investing in leasehold improvements for their property".

Conducting an engineering based cost segregation study takes unique talent. Industry knowledge and experience play an important role in properly identifying and reclassifying each asset that qualifies for a shorter tax life. "Our company has a number of experienced engineers that review depreciation schedules, blueprints, change orders, construction-related invoices, temporary structures and the like to make sure we are capturing the most benefit for the client" Mr. Meisner said.

Many accounting and CPA firms choose to outsource their cost segregation service to their engineering firm because of their years of cost segregation experience. Since the late 1980's, their team of engineers have worked hand in hand with a client's accountant to provide a product that is beneficial for both the client as well as the accountant on their client's behalf.

There's one big difference between their firm and all the other cost segregation firms – CRG will identify and reclassify *all* long-life components, which helps the accountant retire assets when the company does a renovation, demolition or when a long-life asset like an HVAC system is replaced. Other firms don't identify long-life components to the degree that they do.

Mr. Meisner gave some recently completed study examples: Their engineers identified and reclassified additional depreciation of \$964,397 for the coming three tax years on a \$5.2M Office / Warehouse; they also identified and reclassified an additional \$373,536 to short-life depreciation for the coming three tax years on a \$1.6M medical building.

Like in the samples above, a typical cost segregation study can often provide a large tax benefit the first few years after the study is completed. "Every company faces economic challenges in today's business environment. Many business owners are looking at business opportunities like cost segregation, R&D tax credits and lean manufacturing consultants to help them retain their hard earned dollars and keep their bottom line in the black. We provide a niche service that makes a significant positive financial impact to an owner's business" Meisner said.

One great feature of their business is that their company conducts a no-cost evaluation of a property to demonstrate the potential tax benefits to the property owner. This no-cost evaluation takes the worry out of spending money on something that isn't going to benefit a business or the property owner.

Many commercial buildings are eligible to take advantage of this tax benefit. To qualify for a cost segregation study, the company has to be a for-profit entity, the building has to be valued at \$1,000,000 or more (excluding the land), and the company has to pay taxes to take advantage of the benefit. A company can even do a cost segregation study if they don't own the property but have completed leasehold improvements that total \$500,000 or more.

So if you're looking for a business strategy that can immediately impact cash flow and significantly reduce your taxable income for 2009, call Andy Meisner of Capital Recovery Group at 888-861-3331 (toll-free) or email him at [andy@capitalgroup.com](mailto:andy@capitalgroup.com).