

Unlock Immediate Tax Savings with Cost Segregation



WHAT IS IT?

Cost segregation is already a powerful tool to unlock accelerated tax benefits from real estate. Under the Big Beautiful Bill, it just became supercharged—with full first-year expensing, enhanced classifications, and expanded strategic opportunities.

Cost Seg is an engineering-based tax strategy that separates a building into components—like flooring, cabinetry, landscaping, electrical systems—that qualify as personal property or land improvements, allowing for quicker depreciation than the standard 27.5 or 39 years.

Purpose: By classifying components into 5-, 7-, or 15-year recovery classes, investors can accelerate depreciation, reduce taxable income, and boost early-year cash flow.

Use Cases: Especially effective for new build, purchased, or remodeled properties (typically cost > \$750,000)

Long-Term & Strategic Benefits:

- While its primary effect is a timing shift (e.g. deductions now instead of later), benefits include reducing depreciation recapture on sale and better structuring asset pools for strategic tax treatment
- Offers opportunities to amend older returns (“catch-up depreciation”) and improve audit documentation



WHY NOW? “ONE BIG BEAUTIFUL BILL ACT” (2025) HIGHLIGHTS

Permanent Restoration of 100% Bonus Depreciation: Assets placed in service after January 19, 2025 qualify for full immediate expensing under Section 168(k)

Qualified Production Property (QPP): A new class under Section 168(n) for manufacturing-related real property qualifies for 100% bonus depreciation through certain dates

Section 179 Enhancements: The standard Section 179 expensing limit is raised to \$2.5 million, with a \$4 million phase-out threshold—useful for smaller businesses

Impacts on Green and Energy Credits: The bill eliminates or phases out many Inflation Reduction Act clean-energy credits (e.g., 179D, 45L, EV incentives), though this doesn't directly affect cost segregation, it reshapes overall real estate tax planning

Opportunity Zone (OZ) Benefits: The OBBBA makes Opportunity Zones permanent and introduces Rural OZ benefits, which can amplify cost segregation strategies within these investments



WHY THIS MATTERS: COST SEGREGATION + OBBBA

Supercharged Acceleration: Now, components identified through a cost segregation study can be completely expensed in year one. For example, a \$4M warehouse could yield \$800K of immediately deductible assets—versus only \$411K under the old phase-down regime

Cash Flow & Tax Savings: Dramatically boosts early-stage tax savings; e.g., a residential rental could see depreciation jump 550%, translating to big immediate deductions

Strategic Flexibility: Enhanced depreciation accelerates investment payback periods and improves investment return profiles.

*Accelerate depreciation. Maximize cash flow.
Reduce your tax liability.*

COST SEGREGATION

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OUR PROCESS:

In an industry where expertise and specialization are crucial, we are proud to partner with a team that includes 6 ASCSP Certified members. Although this number may appear modest, it holds considerable weight considering there are fewer than 50 Certified members nationwide.

- Complimentary feasibility estimate and rough order of magnitude savings.
- Full engineering study with asset mapping, 1245/1250 allocation, and audit-ready report.
- Implementation support, including Form 3115 (catch-up depreciation) where applicable.



ILLUSTRATIVE IMPACT (SIMPLIFIED):

Property Basis:	\$4,000,000
Estimated Reclassifiable Portion (via study):	20% (\$800,000)
Potential First Year Deduction (OBBB + bonus):	Up to \$800,000
Cash Flow Effect @ 35% combined rate:	≈ \$280,000 tax saved in Year 1

Note: Actual results depend on engineering findings, tax posture, placed in service dates, and entity type.



READY TO SEE YOUR NUMBERS?

Please visit www.explifeholdingsgroup.com/tax-incentives and fill out our brief form.

WHO WE ARE:

Our core business, NAI READY, remains focused on real estate, site strategy, and economic development, and ***along the way, we've realized something:***

As we worked closely with clients, we kept running into the same challenge: they didn't just need help finding the right location—they needed help improving their bottom line. We saw strong companies struggling with inefficiencies, hidden costs, and missed opportunities—simply because no one had ever shown them where to look. That realization lit a fire in us. So we got to work.

Exponential Life Holding Group's vision is to not only transform organizational finances, but also strengthen the economic fabric of the communities we touch, leaving a legacy of prosperity and impact for generations to come. Through our industrial real estate practice, we've seen strong companies struggling with inefficiencies, hidden costs, and missed opportunities—simply because no one had ever shown them where to look. That realization lit a fire in us. So we got to work.

Through strong third-party partnerships, we offer services that enhance operations, uncover hidden savings, and improve long-term financial performance. We help businesses uncover the dollars they didn't know they were losing, and reinvest them into what matters most—their people, their purpose, and their future. Think of it as bolt-on support that helps your business not just grow—but grow more efficiently and profitably. Because when business owners win, communities win—and that's what we're here for.

COST REMEDIATION INCENTIVES UTILITIES/ENERGY TELECOM, CLOUD & IT MEDICAL REAL ESTATE

Uncovering hidden savings and protecting your bottom line through our performance-based cost remediation solutions that deliver real savings and smarter strategies, without disruption or risk.



Hal and Ellen Johnson



843-240-3378



ellen@explifeholdingsgroup.com



www.explifeholdingsgroup.com