

“Business Management”



Are you aware of the remarkable cash flow improvement and tax strategies that are available to help you fund your practices growth?

Private practitioners and some corporate entities may take advantage of the following programs:

Jobs and Growth reconciliation act of 2003

In a nutshell, the Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) permits qualifying business' to immediately expense and deduct up to \$250,000 in capital purchases a year. Previous to passage, the maximum was \$25,000. The tax law continues through calendar year 2009.

Let's examine what this means to you in real dollars. *Example does not consider additional state tax deductions!!*

Calendar year 2009

Income	\$350,000
<i>Maximum</i> allowable capital purchase deduction	\$250,000
Tax saving on income reduced by \$250,000 (35% Fed)	\$87,500
Maximum same year tax savings under old law	\$8,750
<i>Net same year tax savings</i>	<i>\$78,750</i>

Leased equipment qualifies as well! For example, a \$60,000 lease, even though amortized and paid over five years, will qualify for a \$60,000 same year tax deduction (provided there is a buyout at the end of the lease)!

If you are considering expansion, updating older equipment, starting a new practice, or just trying to reduce income, NOW is the time to buy.



Combining the accelerated tax deductions with product qualifying for the Disabled Access Credit (IRS form 8826) will REALLY improve your purchasing power, as disabled access equipment (Nautilus Freedom Trainer, MedX, Theracycle, Hoggan UBE, etc) carries a 50% tax CREDIT to qualified facilities, up to \$10,500 per year.

Example:

Nautilus Freedom Trainer	\$4299
Med-Fit UBE174	\$3299
Theracycle 100	\$3899
Total	\$11497
Less 50% tax credit (\$10,000 Max)	\$5000
Plus 35% same year tax savings on balance	\$2273
Net Cost	\$4224

Do you own all or part of your building?

Cost segregation engineering may help you accelerate your depreciation, improving cash flow and lowering tax burden!

Simply stated, this is an *alternative method of depreciation* that allows commercial property owners to ***Dramatically Reduce Their Taxes*** under established IRS Rules and Guidelines.

To date this has been done by the Big 4 Accounting Firms for very large clients and has been underutilized and cost prohibitive for the commercial property owner w/a cost basis under 25 million. Chances are if you ask people if they have heard of or completed Cost Segregation on their properties, you will get plenty of "what's that" ???.

The application first gained prominence in 1997 after the Hospital Corporation of America won an \$800 Million Dollar case against the IRS. This ruling, in favor of HCA, "platformed" cost segregation engineering as a bonafide & allowable strategy providing specified criteria are met. Cost Segregation Services engineers were tasked to create the initial methodology for the application of cost seg and have arrived @ a "modeling" template that permits for an efficient, economical application for the "smaller" (less then 100M) commercial property owner. The firm has completed over 1,000 successful engagements, is highly respected, and works within the rules to maximize tax savings benefits for clients. The target market is the commercial property owner w/ assets in the 500K to 25M range.

Purchases \$10,000 ADA qualified equipment (\$5000 tax credit)
(part of above purchase)

\$65,000

Owns building

Worth \$1,000,000- 7 year ave depreciation (less \$142,857)
Vs. 39.5 years (\$25,316)

Tax at 30% due to reduced income

\$17,145

\$57,153

Get it? Your tax liability has changed, yet your cash flow is improved! You still MADE \$300,000, yet your purchase and depreciation mitigated much of the income, providing revenue for growth or investment.

If you are interested in further information, please e-mail us, as we are NOT tax/leasing/cost engineering professionals, but we can provide contacts to professionals well versed in the above programs.

We always recommend you check with your tax advisor to the veracity of these examples, and for other qualifying programs.

Tax Relief Work Sheet

Jobs and Growth Tax Relief Reconciliation Act of 2003

PURCHASE or LEASE AMOUNT (up to \$250,000) _____

Federal and State Tax % (combined) X ● _____

Same Year Tax Savings = _____

Disabled Access Credit (IRS Form 8826)

Qualifying products must be wheelchair accessible

Purchase Price (up to \$10,500) _____

Federal Tax Credit

X ●.50

Total Savings _____

