

EXISTING PURCHASE

Cost Segregation Estimate

Engineering-based depreciation acceleration · Residual Estimation Approach (ATG Chapter 4)

PROPERTY

Oakland, CA

STATE

California

PLACED IN SERVICE

July 1, 2024

STUDY DATE

June 26, 2026

PREPARED FOR

Demo Holdings LLC

PREPARED BY

CostSegLogic · Model v6

ESTIMATE



§ 1

CostSegLogic Certification

ABBREVIATED · FULL VERSION IN PAID TIER

The CostSegLogic engine certifies the following with respect to the methodology applied in producing this estimate. The full Standard (\$495) and CPA-Verified (\$1,199) tier reports include an extended certification covering data provenance, consistency, and (CPA tier) the licensed reviewer's sign-off.

1. **Methodology.** Conforms to the IRS Cost Segregation Audit Techniques Guide (Chapter 4 — Residual Estimation Approach). Asset classification follows Rev. Proc. 87-56; bonus depreciation per §168(k) at the rate in effect for the placed-in-service year.
2. **Asset-class authorities.** 5-year personal property per IRC §168(e)(3)(B) + AICPA Cost Seg ATG; 15-year land improvements per §168(e)(3)(E); §179 immediate-expense per §179(d)(1); 27.5-year residential rental per §168(e)(2)(A).
3. **Compensation.** CostSegLogic charges a single one-time fee per study (Standard tier \$495 / CPA-Verified \$1,199). No contingent or success-based compensation; no referral kickbacks.
4. **Workpaper retention.** The full Standard or CPA-Verified workpaper supports the §168(i)-8 partial-asset-disposition election framework and should be retained for the life of the property plus 7 years.

§ 2

Disclaimers

ESTIMATE SCOPE & LIMITS

This estimate is for informational purposes only and is based on limited data + engine-archetype defaults for properties in this class and vintage. It does not constitute tax, legal, or accounting advice. For tax filing or decision-making, upgrade to the full Standard or CPA-Verified study, and consult a qualified tax advisor. The figures shown reflect a probable outcome under the methodology described above — not a guaranteed deduction. State conformity, §469 passive-activity rules, and §179 income limits may further constrain the deductions a customer can claim in a given year; these are addressed in detail in the paid tier reports.

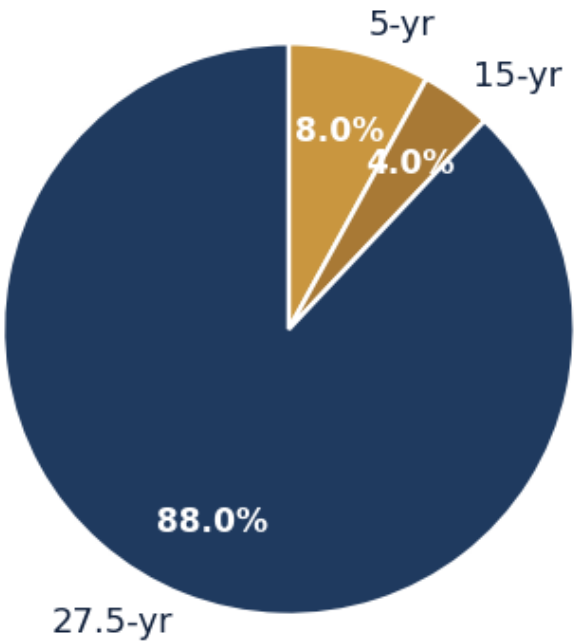
§ 3

Executive Summary

PROPERTY OVERVIEW

Property address	Oakland, CA
Property type	Fourplex
Placed in service	July 1, 2024
Scenario	Existing Purchase
Allocable building basis	\$1,428,000
Study type	Residual Estimation Approach (ATG Chapter 4)

Reclassification Allocation · By MACRS Class



YELLOW · RECOMMENDED

Strong candidate for a cost segregation study. The property's class allocation profile + bonus-eligibility window indicates meaningful Y1 acceleration is available. Upgrade to the Standard or CPA-Verified tier to convert this estimate into a workpaper-grade allocation backed by line-item authority citations.

§ 4 Reclassification Summary

ASSET-CLASS ALLOCATION

ASSET CLASS	AMOUNT	% OF BASIS
■ 5-Year Personal Property	\$114,240	8.0%
■ 15-Year Land Improvements	\$57,120	4.0%
■ §179 Immediate Expense	\$0	0.0%
■ 27.5-Year Residential Rental	\$1,256,640	88.0%
Total Depreciable Basis	\$1,428,000	100.0%

Tax Impact Summary

Bonus depreciation rate (§168(k))	100.0%
Year 1 depreciation — without cost seg	\$6,539
Year 1 depreciation — with cost seg	\$134,042
Incremental Y1 deduction (cost seg uplift)	\$127,503

Estimated Tax Savings

Federal marginal rate assumed	37.0%
State marginal rate assumed (California)	0%
Year 1 federal tax shield	\$49,595
State Y1 tax shield (after §168(k) conformity)	\$6,711
Total Y1 tax benefit	\$56,306

State marginal rate uses a 5% default assumption for income-tax states (0% for no-income-tax states). Actual state benefit depends on the taxpayer's effective state bracket and state-specific §168(k) conformity rules — see the State Conformity analysis in the paid tier report.

• FREE TIER

§ 5

Estimated Year-1 Tax Benefit

YOUR NUMBER

Based on your property characteristics and the structural archetype, the cost segregation engine has computed an initial Year-1 estimate for your property:

YEAR 1 FEDERAL DEDUCTION	YEAR 1 FEDERAL TAX SHIELD
\$134,042	\$49,595
WITH COST SEG	AT 37.0% MARGINAL

This is a best estimate based on the information you provided. It is not a substitute for a completed cost segregation study and is not for tax filing.

To convert this estimate into an audit-ready, line-itemized allocation backed by full IRS authority citations and per-component depreciation schedules, upgrade to the Standard (\$495) or CPA-Verified (\$1,199) tier. The upgrade adds line-item allocation, year-by-year schedules, ATG-cited methodology, and state-specific conformity analysis — what an examiner expects to see.

§ 6

What Each Tier Delivers

FREE VS STANDARD VS CPA-VERIFIED

FEATURE	FREE	STANDARD (\$495)	CPA-VERIFIED (\$1,199)
Estimate of Y1 deduction	✓	✓ point estimate	✓ point estimate
Asset-class reclassification table	✓ summary	✓ full	✓ full
Methodology + authority citations	✓ abbreviated	✓ extended	✓ extended + CPA sign-off
Line-item component allocation	—	✓ ~100 line items	✓ ~100 line items
Year-by-year depreciation schedule (28 yr)	—	✓	✓
Bonus depreciation §168(k) analysis	—	✓	✓
State conformity + 50-state matrix	—	✓	✓ + your-state callout
State Adjusted Depreciation Schedule	—	✓	✓

6 · CONTINUED

Tier Comparison (Continued)

Taxpayer-provided evidence registry	—	✓	✓
Recommended site documentation kit	—	✓	✓
Photo / supporting-document handling	—	✓ collected at intake	✓ curated photo log + invoice X-ref
Licensed CPA review & sign-off	—	—	✓
Approximate page count	9	39	48
Price (one-time)	Free	\$495	\$1,199

RECOMMENDED FOR

Taxpayers with property basis above \$200,000 (or any §481(a) catch-up filing) where the Year-1 tax shield meaningfully exceeds the Standard or CPA-Verified study fee. The Standard tier delivers what an examiner expects to see; the CPA-Verified tier adds a licensed CPA's sign-off and the deeper audit-defense documentation kit (curated photo log, invoice cross-reference, blueprint verification).

§ 7

CPA-Verified Tier · What's Different

BEYOND THE STANDARD REPORT

The CPA-Verified tier (\$1,199) is the Standard tier (\$495) *plus* a layer of licensed-CPA review and additional documentation:

- **Licensed CPA reviewer** — practicing CPA reviews the workpaper and signs the verifier signoff (name, license number, jurisdiction, review date).
- **Audit-defense documentation kit** — captioned property photo log, invoice cross-reference, blueprint verification.
- **50-state §168(k) conformity matrix** with the customer's state highlighted.
- **Form 3115 attachment language** for §481(a) look-back scenarios.



§ 8

Your Class Allocation

YOUR PROPERTY · LINE-ITEM DETAIL IN STANDARD TIER

This estimate allocates your **\$1,428,000** depreciable building basis across the four MACRS classes below, using your property's characteristics. The Standard (\$495) tier breaks each class into its individual component line items (~100 rows), each classified to the appropriate MACRS class with the IRS authority citation; the per-line breakdown is a paid-tier feature.

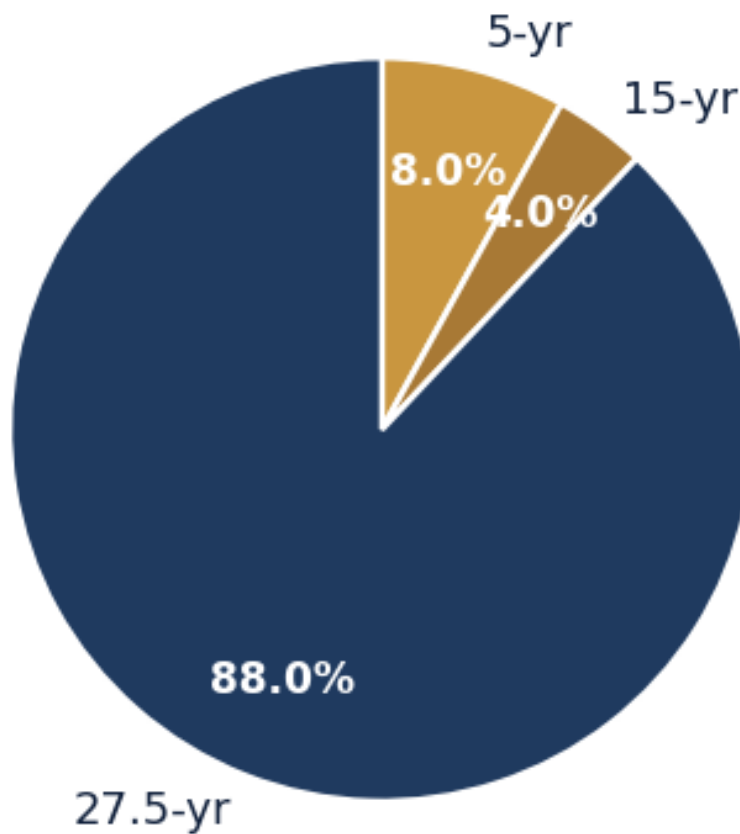
ASSET CLASS	YOUR ALLOCATED BASIS	% OF BASIS
■ 5-Year Personal Property	\$114,240	8.0%
■ 15-Year Land Improvements	\$57,120	4.0%
■ §179 Immediate Expense	\$0	0.0%
■ 27.5-Year Residential Rental	\$1,256,640	88.0%
Total Depreciable Basis	\$1,428,000	100.0%

WHAT THE STANDARD TIER ADDS

Each class above is expanded into its individual asset line items — one row per component (cabinets, flooring, lighting, appliances, site improvements, structural shell, etc.) — with quantity, unit cost, allocated basis, and the IRS authority citation, computed from your inputs. That per-line workpaper is what an examiner expects to see and is included in the Standard (\$495) and CPA-Verified (\$1,199) tiers.

Your Allocation · By MACRS Class

Your **\$1,428,000** depreciable basis, shown by MACRS class. The Standard (\$495) tier expands this into a per-component breakdown within each class — one chart per class, each bar a real line item from your inputs.



IN THE STANDARD & CPA-VERIFIED TIERS

A four-chart breakdown shows the individual line items grouped within each MACRS class (5-year, 15-year, \$179, and 27.5-year), every bar computed from your entered components — so you can see exactly which assets drive each class's basis.

Your Year-1 Federal Tax Shield

At your 37.0% federal marginal rate, your estimated Year-1 cost-seg deduction of **\$134,042** produces a Year-1 federal tax shield of **\$49,595** — versus only **\$6,539** of straight-line depreciation without a study. The Standard tier converts this into the year-by-year schedule and line-item allocation that substantiate the deduction.

YEAR 1 FEDERAL DEDUCTION

\$134,042

WITH COST SEG

YEAR 1 FEDERAL TAX SHIELD

\$49,595

AT 37.0% MARGINAL

READY FOR THE FULL STUDY?

Upgrade to the audit-ready report.

The Standard (\$495) and CPA-Verified (\$1,199) tier reports convert this estimate into the audit-ready, line-item allocation, year-by-year depreciation schedules, and ATG-cited methodology required to substantiate the deduction. Visit costseglogic.com to upgrade — the upgrade is a one-time payment per property; the PDF is delivered immediately.

STANDARD

\$495

Full line-item allocation, year-by-year schedule, methodology + authorities, 39-page audit-defensible workpaper.

CPA-VERIFIED

\$1,199

Everything in Standard plus licensed-CPA review & sign-off, curated photo log, invoice cross-reference, 48-page extended report.