FREE TIER

LOOKBACK (§481(A) CATCH-UP)

Cost Segregation Estimate

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

PROPERTY
Fort Worth, TX

STATE
Texas

PLACED IN SERVICE
August 1, 2019

STUDY DATE
June 26, 2026

PREPARED FOR
Demo Holdings LLC

PREPARED BY
CostSegLogic · Model v6

§ 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

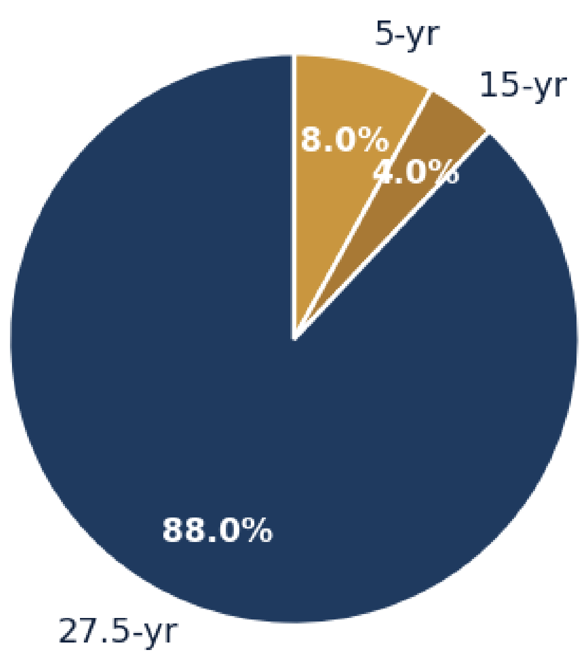
This estimate is for informational purposes only and is based on limited data + engine-archetype defaults for properties in this class and vintage. It does not constitute tax, legal, or accounting advice. For tax filing or decision-making, upgrade to the full Standard or CPA-Verified study, and consult 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	Fort Worth, TX
Property type	Single-Family Residence
Placed in service	August 1, 2019
Scenario	Lookback (§481(a) catch-up)
Allocable building basis	$640,000
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	$51,200	8.0%
15-Year Land Improvements	$25,600	4.0%
§179 Immediate Expense	$0	0.0%
27.5-Year Residential Rental	$563,200	88.0%
Total Depreciable Basis	$640,000	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	$63,769
Incremental Y1 deduction (cost seg uplift)	**$57,230**

Estimated Tax Savings

Federal marginal rate assumed	37.0%
State marginal rate assumed (Texas)	0%
Year 1 federal tax shield	$23,595
State Y1 tax shield (after §168(k) conformity)	$0
Total Y1 tax benefit	$23,595

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.

§ 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
$63,769	$23,595
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 **$640,000** 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.

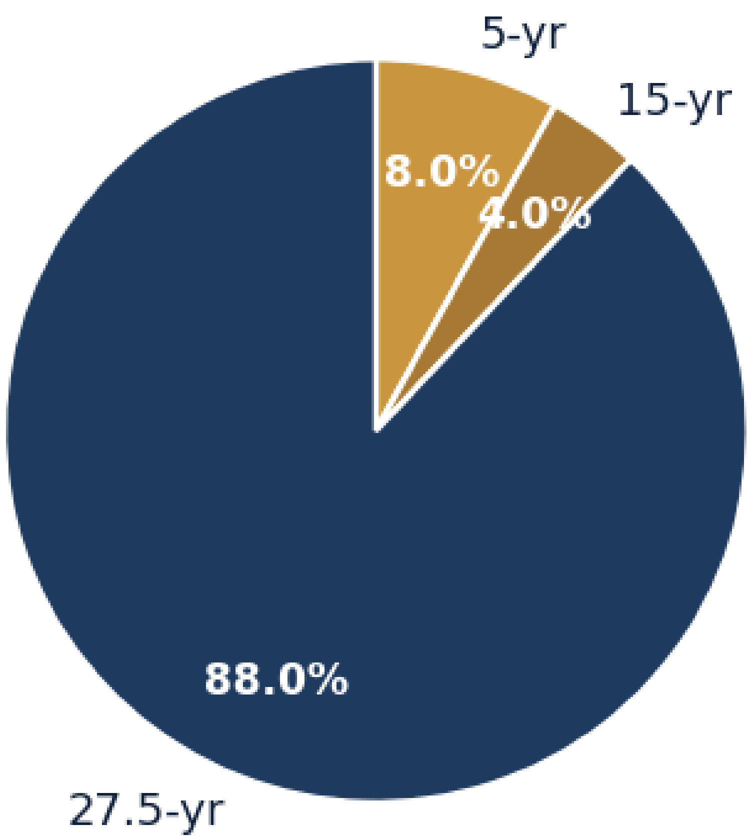
ASSET CLASS	YOUR ALLOCATED BASIS	% OF BASIS
5-Year Personal Property	$51,200	8.0%
15-Year Land Improvements	$25,600	4.0%
§179 Immediate Expense	$0	0.0%
27.5-Year Residential Rental	$563,200	88.0%
Total Depreciable Basis	$640,000	100.0%

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 **$640,000** 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.

● FREE TIER

Your Year-1 Federal Tax Shield

At your 37.0% federal marginal rate, your estimated Year-1 cost-seg deduction of **$63,769** produces a Year-1 federal tax shield of **$23,595** — 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	YEAR 1 FEDERAL TAX SHIELD
$63,769	$23,595
WITH COST SEG	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.