

PROJECT PROFILE

TAXES SAVED: \$5,264,034*

TELEVISION STUDIO

Engagement Overview:

RSH was engaged by a major television network to conduct a Cost Segregation Study of a Southern California television studio facility. The objective was to identify assets that could be moved to shorter recovery periods in order to accelerate depreciation and defer taxes.

Property Overview:

The subject property is a five-story office/stage building with 52,408 square feet located in Southern California. The building was improved in 2009 and again in 2012. The stage area can accommodate 200 audience members and features the latest in sound and lighting technology. The five-story stage was originally built in 1962 and has hosted many popular television shows over the years.

Engineering Process:

Our engineers examined all design and construction documents, contractor payment applications and other related data to determine the cost basis for every component in the building. Next, our engineer conducted an on-site inspection to identify and photograph all assets eligible for accelerated depreciation. Our team (on-site engineer, senior engineer, and tax specialist) reviewed the cost segregation study and certified its completeness and accuracy.



Estimate of Benefits & Savings:

The pre-engagement estimate we provided to the client showed a potential reallocation of \$3.6 million or 34 % to shorter recovery periods. The projected tax benefit was \$823,103 in first year savings with \$881,655 in Net Present Value tax savings over the next 5 years.

Results:

Our study resulted in a total of \$19,632,805 or 54 % being rescheduled to 5 year property. As a result, the client will save \$5.2 million in first year tax payments and realize over \$4,556,227 in 6-year Net Present Value tax savings.

* represents the 1-yr. net present value savings – using an 8% discount rate.