

TAX SAVINGS ON YOUR BUILDING

WHAT HEALTHCARE PROFESSIONALS NEED TO KNOW ABOUT COST SEGREGATION & THE ONE BIG BEAUTIFUL BILL

WHAT IS A COST SEGREGATION STUDY?

A cost segregation study is a tax strategy that breaks down the cost of your building into components that can be depreciated faster. Instead of writing off your entire building over 39 years, you may be able to depreciate parts of it over 5, 7 or 15 years. This means larger deductions upfront, lower taxable income and more cash flow for your practice.



WHO SHOULD CONSIDER IT?

Cost segregation is especially valuable for healthcare professionals who are investing in real estate for their practice. Whether you're a doctor, dentist or veterinarian purchasing your first office, building a new facility or renovating an existing space, this strategy can lead to significant tax savings. It's also ideal for those with equipment-heavy practices who want to improve cash flow in the early years of ownership.

OBBB: WHY NOW IS THE TIME

The One Big Beautiful Bill (OBBB) permanently reinstated 100% bonus depreciation for property acquired after Jan. 19, 2025, and increased Section 179 expensing limits. Eligible property that is acquired or under a binding contract and placed in service may be fully depreciated in year one. This includes MACRS assets such as land improvements, fixtures, Qualified Improvement Property (QIP), computer software and others.



HOW WE TURN YOUR BUILDING INTO TAX SAVINGS

The process is straightforward. First, you purchase, build or renovate a property for your practice. Then, a specialized team conducts a cost segregation study to identify assets that qualify for shorter depreciation periods. Once those assets are reclassified, 100% bonus depreciation (if applicable) is applied. This results in a substantial reduction in your taxable income and an increase your cash flow.

HOW MUCH COULD YOU SAVE?

Imagine you build a \$1.5 million medical office. Through cost segregation and bonus depreciation, you could potentially deduct \$250,000 to \$450,000 in the first year alone. That's real savings you can reinvest in your business, whether it's new equipment, staff or future expansion!



TALK TO OUR HEALTHCARE TEAM

Curious if a cost segregation study is the right fit for your practice? Our Healthcare Team offers a complimentary 30-minute conversation to answer your questions and walk through how this strategy could apply to your situation. Reach out today to connect with us.