

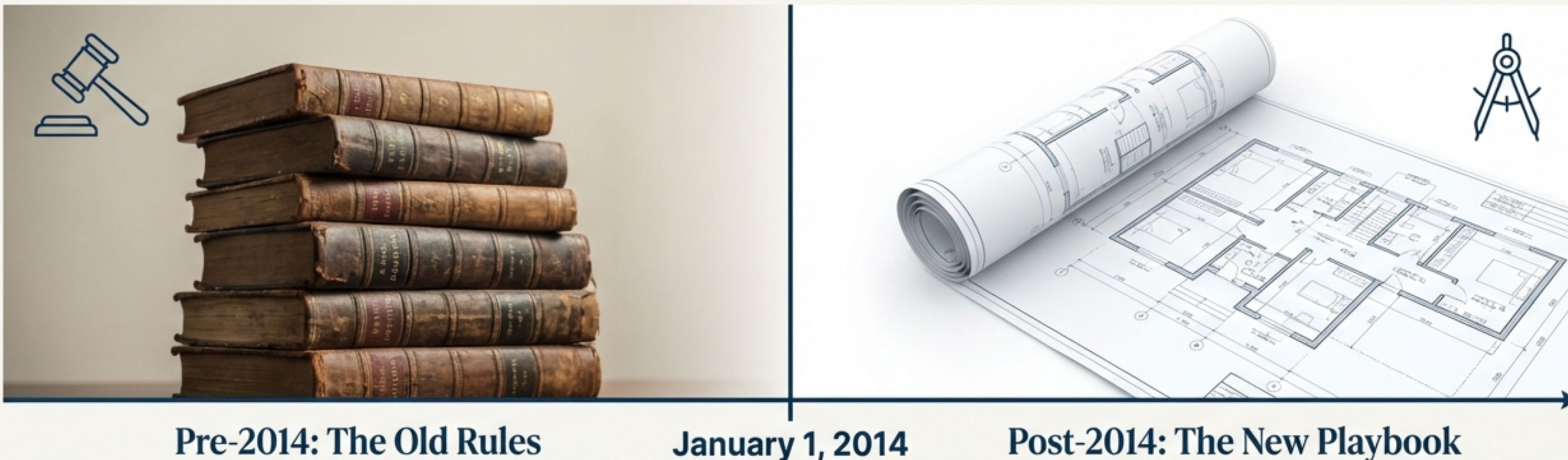


Is Your Building Hiding a Tax Refund?

How the 2014 IRS Tangible Property Regulations Created a
New Source of Savings for Real Estate Owners.

Complimentary TPR Compliance & Savings Analysis

The Ground Shifted in 2014. Did Your Tax Strategy?



- In 2014, the IRS enacted the Tangible Property Regulations (TPRs), considered **the most significant tax change for real estate owners since the Tax Reform Act of 1986**.
- These regulations replaced decades of conflicting case law with a clear, mandatory framework for deciding what to **expense** immediately versus what to **capitalize and depreciate**.

These regulations are **not optional**. Compliance has been mandatory for every tax year since 2014.

The TPRs Created a New Landscape of Risk & Opportunity

THE RISK OF INACTION

- Ignoring the TPRs isn't just a missed opportunity; it's a significant liability.
- **IRS Penalties:** Non-compliance can lead to the IRS denying past, present, and future depreciation claims.
- **Financial Drain:** This can result in substantial back taxes, penalties, and interest.



THE OPPORTUNITY FOR ACTION

- Proactive compliance unlocks powerful, often-overlooked financial benefits.
- **Immediate Tax Savings:** Correctly expense items that were previously capitalized over decades.
- **Generate Cash Refunds:** Utilize a formal "look-back" to find and claim missed deductions from prior years.

The Opportunity: Stop Depreciating “Ghost Assets”

One of the most powerful TPR strategies is the **Partial Asset Disposition (PAD)**.

- **The Old Way:** When you replaced a roof or an HVAC system, you often had to keep depreciating the *old* asset while also starting to depreciate the *new* one.
- **The TPR Way (PAD):** The regulations allow you to immediately write off the remaining depreciable basis of the old component in the year it's replaced.

This is a “**use it or lose it**” opportunity. If the deduction wasn't taken in the tax year the renovation was performed, the benefit is permanently lost.



The Opportunity: Unlock Refunds from Prior Years' Tax Returns



- The TPRs allow for a **Section 481(a) Adjustment**—a formal “look-back” analysis of your depreciation schedules.
- This process allows us to review your past filings to identify costs that were capitalized but **should have been expensed** under the new rules.
- Common examples include specific repairs, maintenance, and component replacements that were previously depreciated over 27.5 or 39 years.

The Result: A **one-time, catch-up deduction** that can generate a **significant tax refund** and improve your cash flow *today*.

Real-World Results: TPR Analysis Unlocks Millions

A proper TPR analysis goes beyond simple accounting to find significant value. Our analyses have identified substantial tax deductions for properties just like yours.

Property Type	Building Value	TPR Deductions Identified
3 Large Hotels	-	\$175 Million
Large Mall	-	\$30 Million
Industrial Bldg.	\$17 Million	\$17 Million
Apartment Bldg.	\$7 Million	\$7 Million
Commercial Bldg.	\$4 Million	\$4 Million

Note: These figures represent reclassified expenses and disposed assets, leading to immediate deductions and long-term tax savings.

The Key: A More Granular View of Your Building

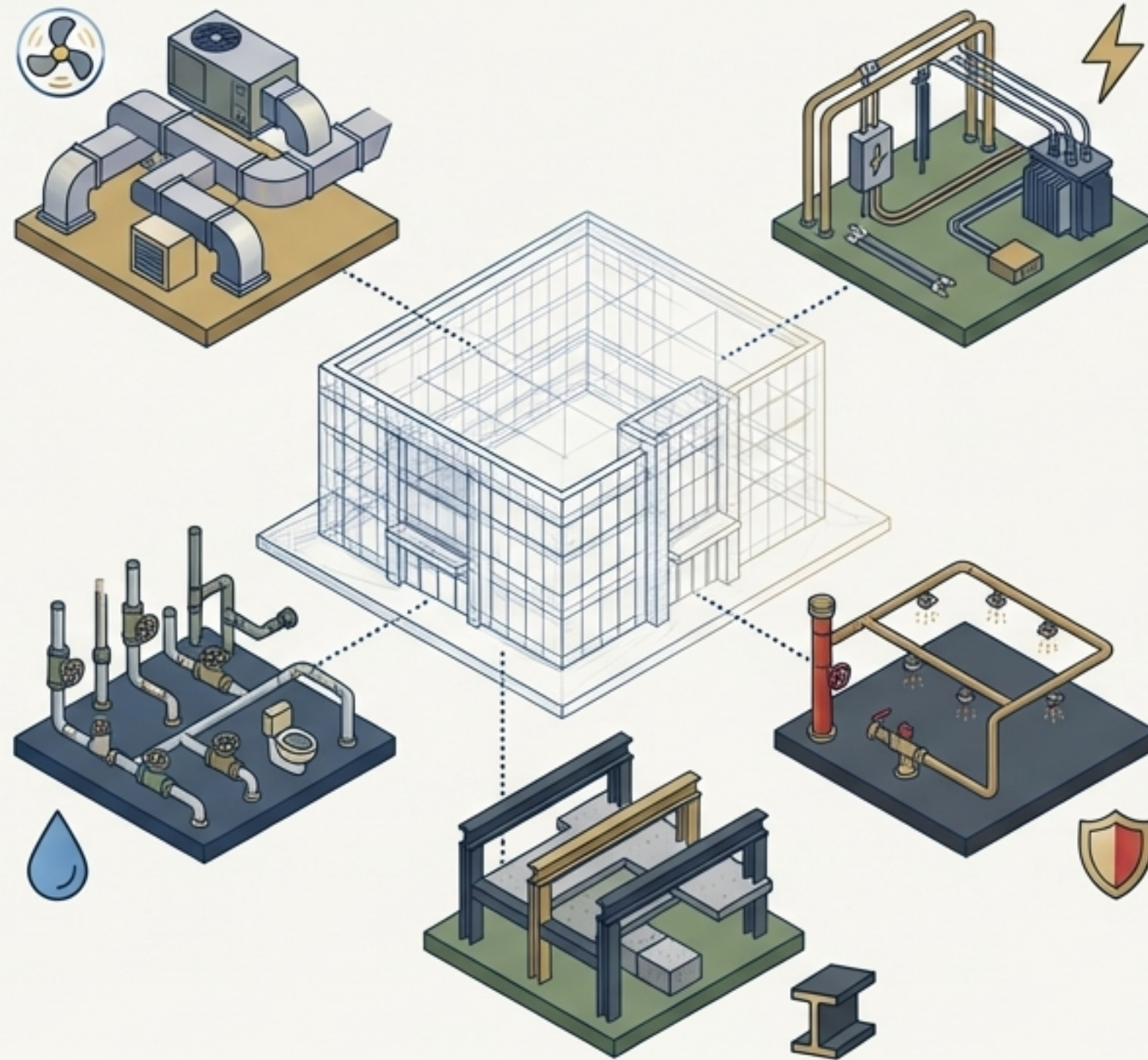
To unlock these savings, the IRS requires you to stop viewing your property as a single asset. The TPR.

The TPR framework breaks it down into its core components.

1. Unit of Property (UOP):

First, the entire building itself is defined as the primary unit.

2. **Building Systems:** Then, the building is broken down into up to nine distinct systems (HVAC, Electrical, Plumbing, Fire Protection, etc.).



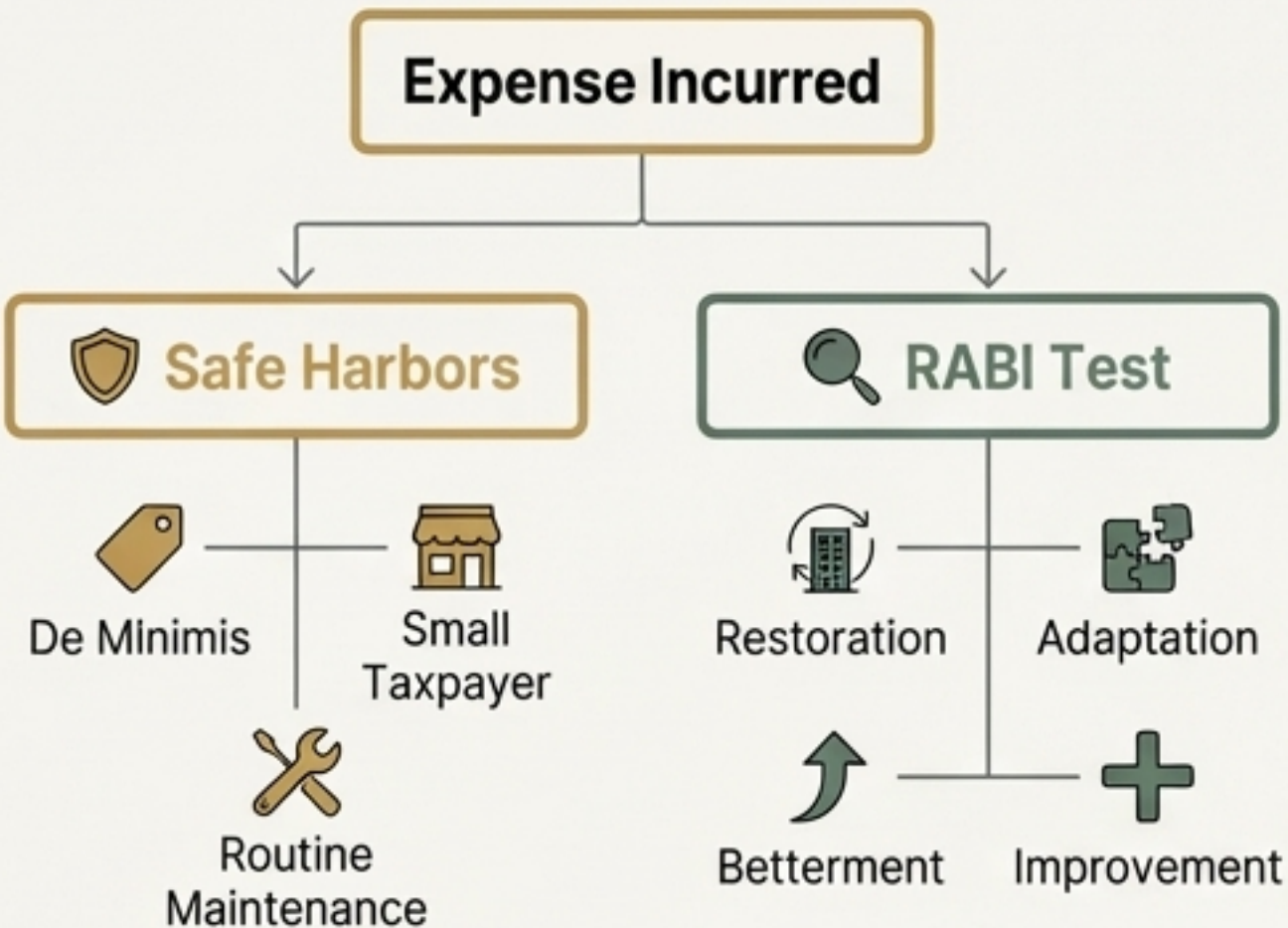
Why This Matters

A \$50,000 expense might seem like a small repair relative to a \$10M building, but a major improvement to a \$150,000 HVAC system.

This granular view is the key to legally classifying more costs as immediate expenses.

A Structured Framework for Every Expenditure

The TPRs provide a clear decision-making process for every dollar you spend on your property.



Provision	What It Does	Application
Safe Harbors	Simplifies expensing for common, lower-cost items (e.g., De Minimis items under \$2,500, routine maintenance).	Provides administrative convenience for everyday expenses.
RABI Rules	A four-part test (R estoration, A daptation, B etterment, I mprovement) to determine if a larger cost must be capitalized.	Applied to major projects like renovations and system replacements.

Knowing how to navigate this framework is essential for maximizing deductions while ensuring 100% compliance.



Why TPR Compliance is a Niche Specialization

Most tax professionals are experts at filing returns, but the TPRs require a unique combination of tax law, engineering, and valuation expertise.

- **Complexity:** The regulations themselves consolidate decades of case law into a complex framework.
- **Engineering Component:** Correctly valuing disposed assets (like old roofs) and analyzing building systems often requires an engineering-based approach.
- **Proactive Strategy:** True TPR optimization isn't just about compliance; it's a proactive strategy to find money—a different mindset from typical tax preparation.

Most CPA firms do not have a dedicated TPR department. We provide that specialized focus.

Our Unmatched Expertise in Tangible Property Regulations

We don't just understand the regulations—we teach them and apply them at the highest level.



10,000+

CPAs Trained

We have educated over 10,000 tax professionals across the country on the complexities and strategies of the TPRs.



1,000+

IRS Submissions

We have successfully prepared and submitted over a thousand TPR-related accounting method changes (Form 3115) to the IRS.

Our experience is your advantage. We know where to look, what to document, and how to secure your savings while ensuring airtight compliance.

Let Us Analyze Your Tax Returns. At No Cost.

We are confident we can find savings. That's why we offer a complimentary, no-obligation analysis of your property's tax returns and depreciation schedules.

Our Process:

1. **Review:** We'll examine your depreciation schedules for common misclassifications and missed opportunities under the TPRs.
2. **Identify:** We'll pinpoint areas for Partial Asset Dispositions (PADs) and potential "look-back" refunds via a 481(a) Adjustment.
3. **Report:** You will receive a straightforward summary of our findings, quantifying the potential tax savings and refunds available to you.

There is **no cost** and **no obligation** to proceed.



Unlock the Hidden Value in Your Portfolio Today

Taking the next step is simple.

To Receive Your Complimentary TPR Analysis:



1. **Gather:** Your most recent tax return and fixed asset depreciation schedule.



2. **Contact Us:** Email our team at analysis@tpr-experts.com or call (800) 555-0123.



3. **Schedule:** A brief introductory call to discuss your portfolio and securely transfer documents.

We handle the rest. Don't leave money on the table or leave your portfolio exposed to unnecessary risk.