



# Tangible Property Regulation Benefits and Qualifications

## 8 Tangible Property Regulations (TPR) Benefits:

### 1. Tax Savings

Increased write-offs, higher ROI from lower basis & reduced depreciation recapture at sale.

### 2. Qualifying Properties

Owned, sold, or part of a 1031 exchange in the last 5+ years, and \$10+ million value.

### 3. Capital Expenditure Write-offs

Write off 80% of CapEx instead of depreciation recapture upon sale.

### 4. Extended Ownership Tax Savings

The longer you own a property, the greater your potential Tax Refund.

### 5. Lower Tax, Higher ROI Upon Sale.

Lower 20% capital gains tax rate on increased profit upon sale, rather than the 37% recapture tax rate on depreciation.

### 6. Immediate Write-Off Opportunities

Property repairs be expensed in the current year rather than depreciated

### 7. "Look-Back" Studies Find Missed Tax Savings

Reviewing old depreciation schedules can reveal expenses that can be refiled for tax refunds. The TPRs require depreciation schedules to be reviewed annually.

### 8. Better Tax Benefit than Cost Seg Studies

For maximum tax benefit, sometimes do a TPR study first and sometimes a Cost Seg study.

### VIDEO: Refunds by Real Estate Type

3 Large Hotels	\$175 million
Large Mall	\$30 million
Industrial Bldg.	\$17 million
Apartment Bldg.	\$7 million
Commercial Bldg.	\$4 million

## IRS Risks and Your High Costs if You Are Not TPR Compliant

Failure to comply may lead the IRS to reject depreciation claims, resulting in substantial financial losses, penalties, interest charges, audits, investor lawsuits, and damage to reputation. The IRS 2014 Code mandates that depreciation schedules be scrubbed annually of improperly capitalized items through a TPR annual review.



IRS Guidelines on the TPRs



## Why 98% of CPA firms CANNOT Perform TPRs Properly

Our team of CPA TPR domain experts has trained over 10,000 CPAs. We discovered that 98% continue to make significant TPR errors due to insufficient engineering and construction expertise. Additionally, CPAs typically focus on the De Minimis Safe Harbor (DMSH) when applying TPRs, yet DMSH accounts for only a tiny portion of the value of TPRs.





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## Our Extensive TPR Qualifications

1. Testified before Congress twice fighting IRS attempts to impose its will on service providers, with a focus on construction contractor tax issues.
2. Served on the AGC's National Tax and Fiscal Affairs Committee and was the past chairman of the CFMA's National Tax Committee.
3. Completed 1,000 TPR reviews and trained over 10,000 CPAs on TPR.
4. Authored CCH's audit programs for the construction industry and related 1,500-page books (CCH Construction Guides: Accounting and Knowledge-Based Auditing, and Tax).
5. Author and instructor for the CCH Tangible Property Regulations Certificate Program.
6. Presented hundreds of webinars for CPA education.
7. Authored/contributed to CCH's Intelliconnect on several tax sections and subjects.
8. Provided construction accounting, audit, tax, and advisory services, including Knowledge-Based Audits of Construction Contractors from Wolters Kluwer (CCH).
9. Extensive construction experience with expertise in accounting, audit, tax, & advisory services.
10. Member of the AICPA, Past Council member, and Past President of the PICPA.
11. **We get results. We have found \$750 million in tax savings for real estate owners.**

## Who We Are

At [ProfitsUSA.com](https://ProfitsUSA.com), we specialize in delivering real estate solutions that enhance profitability. Our team includes former IRS auditors and tax attorneys with over a decade of experience with the IRS. We partner with domain experts to provide tailored solutions. To prove our value, we offer a complimentary TPR "look-back" analysis to find tax savings for you. **We only need a depreciation schedule - NO Tax Return is Required.**

## We Partner with Domain Experts to Develop AI Software

Our AI software development team collaborates with top domain experts in various fields. We integrate their knowledge and expertise with our proprietary artificial intelligence software, built on the most advanced large language models from META, Grok3, and Google. This enables us to scale and provide more excellent value. [Click here](#)

## Comprehensive Real Estate Solutions

Our comprehensive real estate package includes Tangible Property Regulations, IRS Sections 179D, 45L, and 48, no-cost solar and EV chargers, and an alternative to 1031 exchanges. This holistic approach enables us to deliver superior tax solutions and audit protection to venture capital firms, private equity groups, and significant real estate developers.



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Howard Francis, CEO [650-449-6888](tel:650-449-6888) [Howard@ProfitsUSA.com](mailto:Howard@ProfitsUSA.com)

