Study decision workbook

Evaluate a proposal using incremental, usable benefits. This is a decision worksheet, not a provider quote or a promise that a property qualifies.

Start with the same facts

Give each provider the same property, cost, service-date and prior-schedule records. Ask the CPA to establish a baseline before comparing projected benefits.

Decision inputs

Property / owner / tax year:

Expected holding period / shorter-hold alternative:

CPA-reviewed cost / land / existing schedules:

Three outcomes are possible

Proceed with review	Facts and scope are ready for a professional decision.
Gather more evidence	Costs, methods or loss use remain unresolved.
Reassess timing	Current benefits may not justify current costs.

Compare like-for-like proposals

A lower fee is not a complete comparison when methodology, deliverables or implementation work differ.

Proposal comparison

Provider / date	A: _____	B: _____
Scope / site work	A: _____	B: _____
Study fee / exclusions	A: _____	B: _____
Delivery assumptions	A: _____	B: _____
CPA coordination	A: _____	B: _____
Support terms / limits	A: _____	B: _____

Ask directly

- ☐ Which costs and service dates are assumed rather than verified?
- ☐ Who reconciles the report to the CPA ledger?
- ☐ Are preparer or accounting-method fees separate?
- ☐ What does examination support include and exclude?

Unanswered scope question

Question / written response needed:

Calculate incremental deductions

Compare two valid schedules with the same costs and dates. Do not treat the entire proposed deduction as the study benefit.

CPA-supplied comparison

Without proposed study	Year-one deduction: _____
With proposed study	Year-one deduction: _____
Incremental difference	Proposed less baseline: _____
Usable this year	Amount and supporting analysis: _____
Later-year changes	Where deductions are lower later: _____

Check the baseline

Existing appliances, improvements and previous studies may already produce separate deductions. Different conventions or service dates can create a false comparison.

Assumption ledger

Baseline source / date / preparer:

Excluded return interactions or other limits:

First-year sensitivity worksheet

Simplified formula: incremental deduction x usable share x assumed marginal rate, minus the full quoted study fee. This is not lifetime ROI.

Illustrative inputs

Assume $80,000 incremental deductions, a 32% rate and a $4,000 fee. These are hypothetical, not current market quotes.

Three usage assumptions

100% usable	$25,600 tax effect; $21,600 after fee.
50% usable	$12,800 tax effect; $8,800 after fee.
0% usable	$0 current tax effect; negative $4,000 after fee.

Limits of the model

Excludes state effects, future deductions, sale taxes, other return interactions and any deduction for the fee. Suspended losses can have future value that this first-year model does not measure.

Your inputs

Incremental amount / usable share / rate / fee:

CPA explanation of current usable share:

Model the hold and the exit

A favorable first year can coexist with lower deductions later and tax consequences on sale. Ask for a consistent ownership-period comparison.

Ownership scenarios

Base holding period	Years: _____ Sale assumption: _____
Early sale	Years: _____ Why plausible: _____
Loss-use timing	Current: _____ Later: _____ Unknown: _____
Other costs	Preparer / implementation / follow-up: _____

Review before deciding

- ☐ Same operating and sale assumptions with and without study.
- ☐ Asset-level disposition and recapture questions reviewed.
- ☐ State effects identified separately from federal effects.
- ☐ Tax benefit is separate from rent, reserves and debt coverage.

Decision record

Decision / evidence supporting it:

Unresolved item / person / review date:

Sources and your next conversation

Use the governing source for your return year. This packet organizes questions; it is not a tax opinion, engineering study or completed return.

Primary sources

IRS Publication 946: depreciation	Open IRS source online
IRS Publication 925: passive activity and at-risk rules	Open IRS source online
IRS Publication 544: asset dispositions	Open IRS source online
IRS Publication 5653: cost segregation examination guide	Open IRS source online

Keep a decision record

Write down the facts still unresolved, the person responsible for answering and the date you will review the answer. Preserve the final proposal, report and implementation records.

Next question / responsible person / target date:

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