

Understanding the 2017 Tax Advantage on an In-Plant Modular Office, Building or Enclosure

The current tax laws allow very favorable depreciation on InPlant Offices' product line — Modular Offices, Portable Buildings, Equipment Enclosures and Elevated Work Platforms. Modular products qualify for a **ONE YEAR depreciation period in 2017** under Section 179 of the tax code, up to \$500,000, while conventional construction is depreciated over 39 years.

Standard building construction is an immovable and permanent part of your real estate. It's known as "conventional construction" and is classified as "real property" with a 39-year tax depreciation.

InPlant modular building products are non-permanently installed, portable and movable. Their modular flexibility allows for expansion, reconfiguring or relocating. This mobility, under the Modified Accelerated Cost Recovery System (MACRS), allows your InPlant products to be classified as "tangible property" with a shorter depreciable life.

EXAMPLE: Assume you purchase a new office with a cost of \$40,000 — purchased and put into service before December 31st, 2017. At the end of one year, your InPlant Modular Building System will be fully depreciated, reducing your taxable income by the original cost of \$40,000. Conversely, conventional construction would be depreciated by only 2.5%, reducing your taxable income by only \$1,025. Therefore, by selecting the In-Plant Modular Building System, you gain an additional \$38,975 tax deduction in the first year.

Construction Method	Investment Depreciation	First Year Deduction Amount	Estimated Tax Rate	2017 Tax Savings
InPlant Office Modular Product	\$40,000	\$40,000	34%	\$13,600
Conventional Construction	\$40,000	\$1,025	34%	\$348.50

Assuming a 34% tax rate, the difference of your tax savings invested — \$13,600 one deposit or \$348 yearly contribution — at 5% for the remaining 38 years would approximately return \$86,842 verses only \$41,597.

SOUTHEAST REGION REPRESENTATIVE

Southland Equipment Service, Inc.
 109 N. Shorecrest Road
 Columbia, SC 29209
www.SouthlandSC.com

Customizing prefabricated
 Modular Building Systems
 to fit your needs.

REQUEST FOR QUOTE

Sales@SouthlandSC.com
 803-783-1171