



COST SEGREGATION COVID RESPONSE



Recently Util Auditors hosted a webinar to provide valuable insight on how companies can be prepared to manage costs as a result of the changes from Covid-19. Here is a brief overview of some of the highlights from this call:

Warren is the Lead Cost Segregation consultant to Util Auditors with over a decade of experience in Cost Segregation.

Warren, what are the changes in the industry since Covid -19?

The CARES Act allows for a five-year carryback of Net Operating Losses (NOLs) arising in 2018, 2019, and 2020. This is important because if you have an NOL you now have the ability to use a loss carry back to obtain a refund from a prior year when you had gains. This generates cash flow in the current tax cycle.

What do these changes mean for businesses?

Businesses are looking for cash now in this difficult time. These strategies reduce the taxes you will have to pay for 2019 and potentially create a loss to carry back to a prior year to obtain a refund now. Lower taxes and refunds keep cash in a business owners pocket at this time of need.

Do you expect these changes to be temporary or permanent moving forward?

Businesses owners will be able to use a loss carry back to receive a refund only through the 2020 tax cycle so it is a temporary benefit. These are available for the 2018, 2019, 2020 tax years. A Cost Segregation Study will continue to be available for the foreseeable future and QIP improvements in future years will qualify for Bonus depreciation moving forward.

What are the recommended steps a business can take to protect itself / mitigate risk / stop losses / save money / cut costs?

Engage Util Auditors to perform a no cost analysis to see if you can qualify from the benefits of Cost Segregation or QIP and what kind of tax savings are available; then use the analysis to talk with your Tax Preparer to see how it fits your particular situation.



[Listen to the audio for this segment of our webinar](#)