

Subject: Real Estate public service announcement - or how to get your effective federal tax rate to 5% inside of an investment

Good morning!

Just a reminder, that the bonus depreciation an investor can capture from the 2018 tax cut and jobs act (when combined with a cost segregation study), decreases 1/1/2024 from the current level of 80% to 60%.

I walk you through how this works in this zoom video -

<http://www.nmapartment.com/cretaxbenefits2023> *

that is based on a fourplex my wife and I acquired where the regular cost recovery would be ~\$11,000, but using the above, we were able to increase that to \$57,000, but only if we closed in 2023.

If you are a bottom line person, this means that closing on a piece of investment real estate in 2023 could lower your federal tax rate from 35% to 5%, but only if you close on a deal before the end of 2023.

Bonus round - if you pass any of the points for the 7 way test, you may be able to move this passive paper loss into your active basket and pay less taxes in 2024.

With 77 days until years end, now is the time find your deal, and get it closed.

Thanks,

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* as with all tax advice, you should discuss these benefits with your CPA/accountant as I as I am not an accountant, or a CPA, but I have personally benefited from understanding the Federal tax code - your results may not be the same.