SPECIALTY TAX GROUP

2026 EDITION



A GUIDE FOR CPA PARTNERS

CPA Handbook

A guide to partnering with Specialty Tax Group on specialty tax services for your firm and your clients.



JOHN W. HANNING

CCSP, MBA

Founding Partner - Fixed Assets & Cost Segregation

ASCSP Certified Member # C0139-10

EDUCATION

Ohio University — MBA

Ohio Wesleyan University — BA in Economics

PERSONAL INTERESTS

Golf

Family Travel

The Ohio State Buckeyes

Turf Management (mowing)

Lake Boating with Family

CONTACT

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(470)-474-0981

ABOUT

John is STG's Fixed Assets / Cost Segregation / Accounting Methods Partner. Over the past 20 years as a Fixed Assets specialist, John is responsible for the business development efforts for fixed asset services including new client identification, proposals, and client deliverables. He has led and executed cost recovery studies on more than 8000 facilities including; healthcare, retail, manufacturing, commercial office, multi-family, distribution, power generation, and dealerships.

John is a certified member of the American Society of Cost Segregation Professionals (ASCSP) and President (2019-2021), Past President (2022-2023), Treasurer (2017-2018) | (2024-2025) of the Board of Directors. He began his service to the ASCSP as an active member of the Education Committee, where he co-authored the Senior Exam Study Guide in 2012.

EXPERIENCE

Author

- Accounting Today
- Bloomberg BNA
- Strafford Publications
- AICPA

Presenter

- Tax Resolution Institution (TRI)
- South Carolina Association of CPA's Florida Society of Enrolled Agents (FSEA)
- ASCSP Annual Conference as President
- The PowerVie Podcast
- The Real Estate CPA Podcast

Webinars and Speaking Engagements

- CCH -Wolters Kluwer Webinars
- Cost Segregation and Bonus Depreciation
- Tangible Property Repair Regulations
- Advanced Tax Planning Related to Cost Segregation



BRIAN WAGES

CCIP

Partner - Tax Credits and Incentives

Certified Credits Incentive Professional

EDUCATION

University of Georgia

BBA in Management

PERSONAL INTERESTS

Beach Vacations

Atlanta Braves Baseball

Georgia Bulldogs Football

Woodstock City Church

Short-Term Rental Real Estate

Music and Concerts

CONTACT

brian.wages@specialtytaxgroup.com

(470)-474-0981

ABOUT

Brian is STG's Tax Credits and Incentives Partner. Since 2011, as a State and Federal Tax Credit Specialist, Brian has been responsible for tax credit savings for hundreds of companies. He is an expert on Federal Tax Credits such as the Research and Development Tax Credit (R&D), Work Opportunity Tax Credit, Indian Employment Tax Credit, and Empowerment Zone Tax Credit.

In addition, Brian has led teams that have completed thousands of state tax credits such as the Ohio Research and Development Tax Credit, the Georgia Research and Development Tax Credit, Georgia Retraining Tax Credit, Georgia Jobs Tax Credit, Georgia Quality Jobs Tax Credit, Georgia Investment Tax Credit, Tennessee Industrial Machinery Tax Credit, the Tennessee Job Tax Credit.

Brian currently lives in Atlanta, GA with his wife, Meghan and two daughters, Emerson and Adelyn.

EXPERIENCE

Webinars and Speaking Engagements

- Research and Development Tax Credits
- Georgia Tax Credits
- Site Selection and Discretionary Incentives
- Green Energy Incentives

Presenter

- Business RadioX - North Fulton
- PowerVie Podcast



BRAD PITTMAN

CPA

Partner - R&D Tax Credits & Transfer Pricing

Member, American Institute of Certified Public Accountants

EDUCATION

University of Georgia — BBA in Finance

Georgia State University — Master of Taxation

HOMETOWN

Richmond, Virginia

PERSONAL INTERESTS

Travel

Concerts

Hiking

College Football

Golf

CONTACT

brad.pittman@specialtytaxgroup.com

(470)-474-0981

ABOUT

Brad is STG's Partner and service leader for R&D Tax Credits and Transfer Pricing. A CPA based in Atlanta, Georgia, he is responsible for the implementation, growth, and delivery of these specialty tax services for a wide cross section of clients.

Before his current role, Brad led national R&D tax credit and transfer pricing practices, where he was responsible for all aspects of those practices — including day-to-day management, engagement execution, and business development.

> *"I believe it is crucial for myself and my team to strive for excellence every day as we add value for our clients."*

EXPERIENCE

Specializations

- Research and Development Tax Credits
- Transfer Pricing
- Financial Analysis
- FDDEI (Foreign-Derived Deduction Eligible Income)

Industry Experience

- Manufacturing
- Distribution + Logistics
- Professional Services
- Construction

Professional Affiliations

- American Institute of Certified Public Accountants



SHELLY CARMICHAEL

Director - Specialty Tax Services

Vice Chair, Georgia Association of Manufacturers Associates Council

EDUCATION

Kennesaw State University

HOMETOWN

Atlanta, Georgia

PERSONAL INTERESTS

Cycling on the Atlanta Beltline

Making music (piano, ukulele, and community chorus singing)

Gardening and landscaping

Hiking riverside trails

CONTACT

shelly.carmichael@specialtytaxgroup.com

(470)-474-0981

ABOUT

Shelly Carmichael helps companies choose the right locations, secure lucrative tax incentives, and make data-driven workforce decisions. With more than a decade of experience guiding high-growth startups and Fortune 50 corporations, she has helped clients secure hundreds of millions of dollars in credits and incentives while optimizing sites for scalability, talent access, and cost efficiency.

Shelly's expertise spans site selection, incentive negotiations, labor market analytics, and market-expansion strategy, with a track record that bridges real estate, supply chain, and workforce planning.

Shelly is Vice Chair of the Georgia Association of Manufacturers Associates Council, a member of the Southern Economic Development Council, and has taught at Georgia Tech's Enterprise Innovation Institute. She regularly works with economic developers nationwide, leveraging on-the-ground insight into community priorities to deliver lasting competitive advantage for her clients.

> *"Integrity is critical – without trust, you have nothing. I treat every project as if I'm part of my client's company, acting with honesty, accountability, and a commitment to transparency and fairness for all stakeholders."*

EXPERIENCE

Specializations

- Site Selection
- Incentive Negotiations
- Labor Market Analytics
- Market-Expansion Strategy

Industry Experience

- Manufacturing + Industrial Production
- Energy + Environmental Technologies
- Agriculture + Life Sciences
- Logistics, Warehousing + Cold Chain
- Technology + Infrastructure
- OEMs + Tiered Suppliers

Professional Affiliations & Leadership

- Vice Chair, Georgia Association of Manufacturing Associates Council
- Member, Southern Economic Development Council
- Instructor, Georgia Tech's Enterprise Innovation Institute



GERALDINE SERRANO

"The Cost Seg Queen"

Director – Cost Segregation & Specialized Tax Strategies

EDUCATION & BACKGROUND

San Diego State University
Bachelor's Degree in Communications

Bay Area Native

Real Estate & Tax Strategy Specialist

PERSONAL INTERESTS

Short-Term Rental Owner (and tax strategist)

Thrill-Seeking (Bobsledding, Sandboarding, Snowkiting, Land Sailing)

Global Travel & Cultural Immersion

Emerging Tech & Robotics (Self-Driving Cars, Smart Home Tech)

Golf - who doesn't love an outside game that encourages networking?

CONTACT

geraldine.serrano@specialtytaxgroup.com

(470)-474-0981

ABOUT

Known as "The Cost Seg Queen," Geraldine has established herself as a leading authority in cost segregation consulting and specialized tax strategies for over a decade (in business since 2014). She partners with real estate investors, property owners, business advisors, and CPAs to maximize cash flow through sophisticated tax planning and accelerated depreciation on constructed, purchased, expanded, or remodeled properties. Her work spans from ground-up developments, renovations, and unique assets. One standout example: a mixed-use building constructed entirely from repurposed shipping containers (yes, this is a real example).

In addition to cost segregation, Geraldine specializes in R&D tax credits to reduce federal tax liability and offset W-2 payroll costs.

As one of few Filipina women in a highly technical space, she brings a distinct perspective to tax strategy. Geraldine has a vested interest in cutting-edge technology and actively tracks how it intersects with cost segregation, R&D and overall tax optimization.

EXPERIENCE

Community Support

- Long time supporter of Ambassadors of Hope and Opportunity (AHO)

Author & Presenter

- Featured in Various Professional Real Estate Publications and Blogs
- Custom educational presentations for:
  - CPAs & Accounting Professionals
  - Real Estate Brokers & Investors
  - Bankers & Financial Advisors
  - Attorneys & Estate Planners

Specialties & Advanced Tax Planning

- Cost Segregation Studies
- Short-Term Rental (STR) Tax Strategies
- R&D Tax Credit Applications
- Accelerated Depreciation & Cash Flow Optimization
- Emerging Tech & Innovation in Tax Strategy



JACK SIERK, CPA

Tax Credit Senior Manager

Specialty Tax Group

EDUCATION

The University of Alabama

B.S. in Management and Accounting, Honors College

CREDENTIALS

Licensed Certified Public Accountant (CPA)

Peer Mentor, Best Buddies International

CONTACT

jack.sierk@specialtytaxgroup.com

(470)-474-0981

ABOUT

Jack Sierk is a Certified Public Accountant and experienced tax professional specializing in R&D tax credits and Section 174 expense studies. As Tax Credit Senior Manager at Specialty Tax Group, Jack leads client engagements across diverse industries, helping businesses maximize their tax savings while ensuring compliance with evolving IRS regulations.

Before joining Specialty Tax Group, Jack spent several years at PwC, where he led a team of over 10 professionals delivering R&D tax credit and Section 174 capitalization studies. His leadership played a key role in expanding PwC's international team and streamlining global operations to improve efficiency and quality. Jack began his career in public accounting with Aprio, preparing tax returns for individuals, partnerships, and corporations.

Jack holds a B.S. in Management and Accounting from The University of Alabama, where he graduated with honors from the Honors College and earned recognition on both the Dean's and President's Lists. He is a licensed Certified Public Accountant (CPA) and an active peer mentor with Best Buddies International, supporting individuals with intellectual and developmental disabilities.

GET TO KNOW JACK

Why did you choose to work at STG?

I was drawn to STG's collaborative culture and its focus on delivering real value to clients. The firm's growth trajectory and commitment to excellence made it an exciting opportunity to contribute and make an impact.

What is your favorite aspect of your job?

I enjoy problem-solving — digging into the technical details of R&D studies, understanding how our clients innovate, and translating that into meaningful tax savings. Every project teaches me something new.

What "bright idea" do you find yourself sharing over and over again?

Efficiency doesn't mean cutting corners — it means refining processes so every step adds value.

What do you consider to be your best quality?

I'm process-oriented but people-first. Whether I'm mentoring a new team member or helping a client navigate complex tax rules, I focus on building trust and delivering results.



JACKSON MOORE, CPA

Manager - Specialty Tax Services

EDUCATION

Auburn University

HOMETOWN

Andalusia, Alabama

PERSONAL INTERESTS

- Grilling for family and friends
- Walks with my wife and dog
- International travel
- Live Music
- Tennis and Golf

CONTACT

jackson.moore@specialtytaxgroup.com

(470)-474-0981

ABOUT

Jackson is a Manager at STG with a focus on R&D tax credits. In his role, he is responsible for day-to-day management, engagement execution, and business development.

His professional background in corporate audit and tax compliance allows him to better understand your business and maximize the potential R&D tax credit opportunities that are available to your company.

Jackson received his Bachelor of Science in Business Administration with a major in Accountancy and a Master of Accounting from Auburn University's Harbert School of Business.

He is a member of the American Institute of Certified Public Accountants, the Georgia Society of Certified Public Accountants, and ProVisors – the nation's premier professional networking organization exclusively for Trusted Advisors.

EXPERIENCE

Specializations

- Research and Development Tax Credits
- Federal and State Credit Calculations
- Corporate Audit and Tax Compliance

Professional Affiliations

- American Institute of Certified Public Accountants
- Georgia Society of Certified Public Accountants
- ProVisors



Research & Development (R&D) Tax Credit

R&D Tax Credits save U.S. businesses more than $12 billion annually. Are you leaving money on the table?

WHAT IS THE RESEARCH & DEVELOPMENT TAX CREDIT?

The Research and Development tax credit is one of many tax credits available to businesses of all sizes that are looking to design, develop, or improve products, processes, techniques, or inventions. Even investing time, money, and resources into the advancement or improvement of a product adds up to time spent investing in R&D – likely qualifying your business for an R&D tax credit.

In order to qualify for the R&D Tax Credit the activities must meet the 4-Part Test.

- Must relate to a permitted purpose (Improved Function, Performance, Reliability, or Quality)
- Must include the process of experimentation
- Must eliminate technical uncertainty
- Must be technological in nature and rely on the principle of physical or biological science, computer science, or engineering

The R&D Tax Credit program was added to the U.S. Internal Revenue Code in 1981 through the Economic Recovery Tax Act of 1981 as a temporary provision, but was made permanent in 2015. 36 states have a state level R&D Tax Credit that dovetails the Federal program.

In addition, the enhanced R&D program has been considerably restructured to:

- Allow eligible small businesses (i.e., $50 million or less in gross receipts) to claim the credit against the Alternative Minimum Tax; and
- Allow eligible startup companies (i.e., those with less than $5 million in gross receipts and earning revenue for less than 5 years) to claim up to $500,000 of the credit against the company's federal payroll tax.

HOW TO KNOW IF YOUR BUSINESS CAN BENEFIT FROM THE R&D TAX CREDIT

Businesses in a wide variety of industries including manufacturing, software development, food sciences, and architectural and engineering can benefit from the R&D tax credit. Some examples of Qualified Research Expenses are wages, supplies, contract research expenses, and resource usage. Our team of Specialty Tax Group experts can help you determine if your business in particular is eligible for benefits.

For more information about Research and Development tax credits and how they can help you, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Cost Segregation Services

Looking to increase cash flow for your business? Good news! Cost segregation services can accelerate tax depreciation dedications and reduce tax liability.

HOW COST SEGREGATION SERVICES CAN HELP YOUR BUSINESS

Recent tax litigation and IRS pronouncements have paved the way for the realization of significant tax benefits associated with the depreciation of real property. The tax court recently ruled that certain costs, classified as buildings subject to a 39 or 27.5-year life, should be classified as personal property subject to a 5, 7, or 15-year recovery period.

The IRS allows a taxpayer to go as far back as 1987 to reclassify personal property items that have been incorrectly depreciated. This change is prospective and no amended returns are required. A change in accounting method can be completed in the year of change to implement the corrected recovery periods.

On average, for every $1 million of 39 or 27.5-year property reclassified to 5 or 15-year property, the present value of the net cash flow (at 8 percent associated with the acceleration of depreciation) is around $200,000.

HOW WE CAN HELP

Specialty Tax Group's expert analysis will identify overlooked costs that may qualify for accelerated depreciation. For example, we will go as far as to break out the cost of electrical or plumbing required to operate machinery from general building costs.

A cost segregation specialist can assist in realizing significant depreciation deductions with:

- Recently Constructed Facilities
- Renovations, Remodels, Restorations or Expansions
- Acquisitions (Current Year or Lookbacks)
- Tenant Leasehold Improvements

We produce audit-ready deliverables and help with implementation so you can be sure you are capitalizing on the benefits. Specialty Tax Group Is uniquely qualified to provide Cost Segregation services with our team of in-house engineers and tax accountants.

For more information about how cost segregation services can help your business, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Comprehensive Fixed Asset Review

ARE YOU IN A CAPITAL-INTENSIVE BUSINESS? A COMPREHENSIVE FIXED ASSET REVIEW CAN RESULT IN ACCELERATED DEDUCTIONS THAT IMPROVE CASH FLOW- WITHIN THE SAME YEAR THE CHANGE WAS MADE.

A Comprehensive Fixed Asset Review looks at a taxpayer's entire depreciation schedule to ensure the correct tax treatment is being applied to each asset. These changes can be an opportunity for your business to improve cash flow. Our most capital-intensive clients elect this process since it reviews all assets for a multitude of opportunities, including:

Individual Asset Review – Assets are often inappropriately depreciated, such as process-related plumbing, electrical, and ventilation systems. STG will identify assets qualifying for accelerated depreciation.

Capital to Expense Studies – The Tangible Property Regulations (TPR) allow taxpayers to retroactively review expenditures that were capitalized but qualify as repair and maintenance expenses, such as replacing roof membranes, resealing parking lots, and replacing HVAC components.

Retirement Studies – STG will review the depreciation schedules for "ghost assets" that remain as active fixed assets. These are assets that have since been removed such as disposed roofs and HVAC components. Taxpayers are allowed to immediately deduct the remaining undepreciated basis.

Partial Dispositions – The TPRs now allow taxpayers who make improvements to their facilities to immediately deduct the cost of the removed building components and to instantly write-off undepreciated basis amounts.

Demolition Costs – Demolition costs for building improvements are often capitalized with the cost of a new asset but can now be immediately deducted under the new TPRs

Bonus Depreciation – Bonus depreciation allows taxpayers to immediately write off from 30 percent to 100 percent of the purchase price of a new or USED asset, but is often overlooked. This study identifies missed bonus opportunities.

Cost Segregation – Commercial buildings are depreciated over 39 or 27.5 years. A cost segregation study carves out components from buildings that qualify for more rapid depreciation, such as land improvements and personal property.

For more information about how a comprehensive fixed asset review can help your capital-intensive business, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Qualified Improvement Property (QIP)

ARE YOU A RETAILER LOOKING TO INCREASE CASH FLOW? CONSIDER THE TREATMENT OF QUALIFIED IMPROVEMENT PROPERTY (QIP).

Qualified improvement property (QIP) is any improvement that is Sec. 1250 property made by the taxpayer to an interior portion of a nonresidential building placed in service after the date the building was placed in service. However, expenditures attributable to the enlargement of the building, elevators or escalators, or the internal structural framework of the building are excluded (Sec. 168(e)(6) and Regs. Sec. 1.168(b)-1(a)(5)).

A qualified improvement must be:

- Made by the taxpayer
- Made to an interior portion of a nonresidential (commercial) building
- Made to a building that is already in service.

THE IMPORTANCE OF CONSIDERING QIP

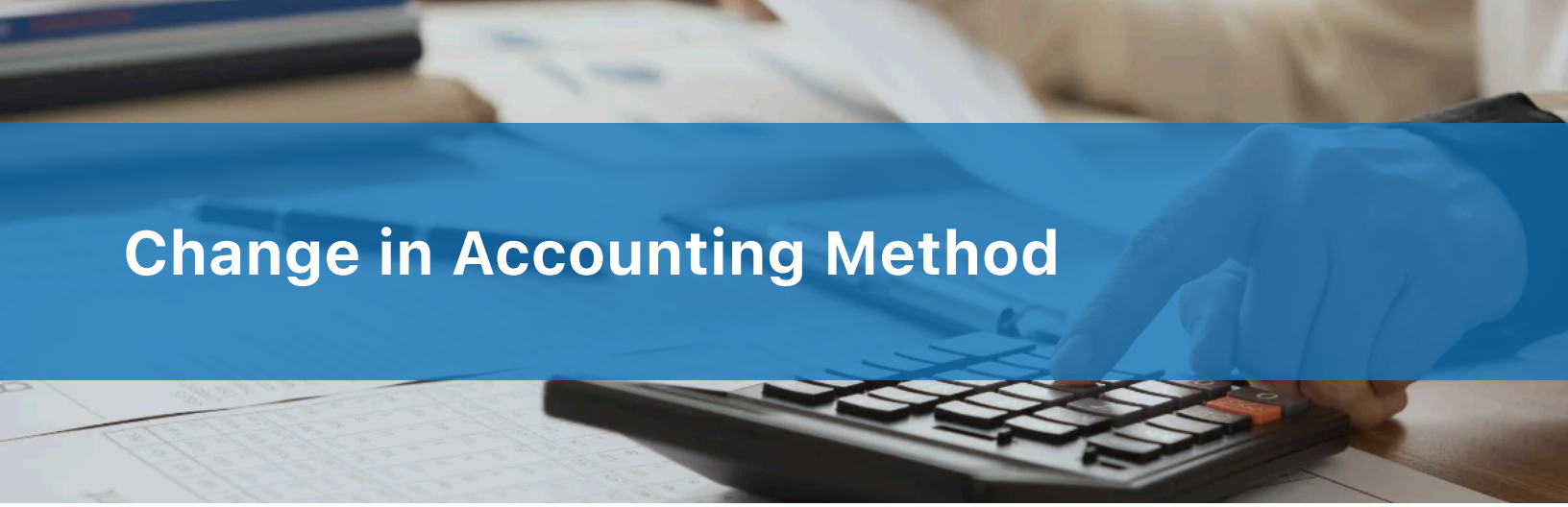
The Coronavirus Aid Relief and Economic Security (CARES) Act, signed into law on March 27, 2020, contains provisions related to QIP that can reduce taxes, increase liquidity, and generate non-operating loss carrybacks to tax years with higher tax rates. Qualified Improvement Property (QIP) accelerates significant deductions to enhance cash flow for taxpayers who are improving and/or renovating an existing building.

The CARES Act fix is retroactive and applies to QIP placed in service after Dec. 31, 2017. Businesses can now treat QIP placed in service after Dec. 31, 2017, as 15-year property. It is eligible for bonus depreciation, allowing taxpayers to deduct up to 100 percent (2018-2022) of the cost of assets that are being depreciated over 39 years under the previous law. However, the CARES Act added the requirement that qualified improvements to the property must have been made by the taxpayer.

For more information about QIP and how your company can benefit, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Change in Accounting Method

AN ACCOUNTING METHOD IS THE METHOD, OR "RULES A BUSINESS FOLLOWS TO REPORT REVENUE AND EXPENSES TO THE IRS."

The two main methods are cash accounting and accrual accounting. Cash accounting records revenues and expenses when they are received and paid, whereas accrual accounting records revenues and expenses at the time they occur. Change in accounting method studies strategically assesses your businesses current tax accounting periods and plans in order to identity areas of improvement – allowing your chosen tax strategy to work harder for you.

A change in accounting method includes any change in the taxpayer's overall method of accounting (e.g., cash to accrual). It also includes changes in the treatment of any "material" item. As a tax planning tool, accounting methods help you get the most out of your businesses tax strategy, and potentially save money in the process. Your chosen accounting method can also help you correct previously improper accounting methods in an effort to maintain tax compliance or to eliminate audit risk.

The IRS requires taxpayers to choose an accounting method that accurately reflects their income. Furthermore, taxpayers are expected to be consistent in their choice of accounting method from year to year. This means, if you want to change your accounting method you will need to obtain the IRS's approval. Don't let this deter you, though as a change in accounting method can be very beneficial to businesses. With regard to small businesses, in particular, a change in accounting method could lead to tax deductions and benefits that keep more cash in your pocket.

TYPES OF ACCOUNTING METHOD CHANGES

There are several accounting method changes that can be extremely valuable to taxpayers. For example, changing depreciation methods from a cost segregation study can vastly increase the timing of deductions and improve cash flow. You might also consider adopting numerous favorable provisions of the Tangible Property Regulations, which allows taxpayers to retroactively review expenditures that were capitalized and identify ones that can be treated as immediately deductible repair and maintenance expenses – such as replacing roof membranes, resealing parking lots, and replacing of HVAC components. Using the §179D Energy Efficient Commercial Building Deduction allows taxpayers to immediately deduct up to $5.00/SF for investments in efficient lighting systems, HVAC and hot water systems, and the building envelope.

If you would like to know more about accounting method changes, and how they can serve your business, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Apartment Cost Segregation

ARE YOU A MULTI-FAMILY APARTMENT OWNER LOOKING TO INCREASE CASH FLOW, ACCELERATE TAX DEPRECIATION DEDUCTIONS AND REDUCE TAX LIABILITY?

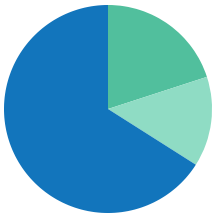
COST SEGREGATION SERVICES CAN HELP.

A cost segregation study is an engineering-based tax analysis that allows real estate owners to accelerate the depreciation of certain assets, thereby reducing their federal and state taxable income.

Some qualifying assets under IRC Sec. 1245 include mechanical and electrical connections servicing appliances, some floor coverings, decorative trims and lighting, and more. Depending on the extent of the land improvements surrounding the building, a study will generally identify significant IRC Sec. 1250 property that is eligible for accelerated depreciation as well, including items such as parking lots, landscaping, concrete walks, etc. Below is a recent case study that shows the benefits of cost segregation in similar property.

PROPERTY DETAIL	
Purchase Price (less land)	**$6,500,000**
Property Type	**Apartment**
Building Sq Ft	**165,000**
Entire Site Sq Ft	**304,920**
Date Acquired	**2023**
Federal Tax Rate	**35%**
State Tax Rate	**7%**
Combined Tax Rate	**40%**
ROI Factor	**8%**
Bonus Depreciation	**80%**

RESULTS — BUILDING ALLOCATION AFTER



- 5-Year Personal Property **$1,300,000 · 20%**
- 15-Year Land Improvements **$910,000 · 14%**
- 27.5-Year Residential Real Property **$4,290,000 · 66%**

SUMMARY OF BENEFITS	
Increased Deductions - Tax Year 2023	**$1,792,267**
Increased Cash Flow - Tax Years 2023-2027	**$681,571**
Net Present Value (NPV)	**$480,171**

Please consult with your tax professional on how AmeriSouth v. Commissioner (TC Memo 2012-67) may or may not impact your Cost Segregation findings.

For more information about Cost Segregation on Apartment buildings and other services provided by Specialty Tax Group, please contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Dental Office Cost Segregation

ARE YOU A DENTAL PRACTICE OWNER LOOKING TO INCREASE CASH FLOW, ACCELERATE TAX DEPRECIATION DEDUCTIONS AND REDUCE TAX LIABILITY?

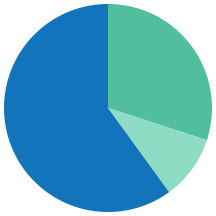
COST SEGREGATION SERVICES CAN HELP.

A cost segregation study is an engineering-based tax analysis that allows real estate owners to accelerate the depreciation of certain assets, thereby reducing their federal and state taxable income.

Some qualifying assets under IRC Sec. 1245 include specialty electrical systems servicing dental equipment such as x-ray equipment, compressed air, vacuum, and other equipment. It also includes the plumbing of domestic water and vacuum systems servicing hygienist station(s), hygienist workstation cabinetry, and much more. Below is a recent case study that shows the benefits of cost segregation in similar property.

PROPERTY DETAIL	
Purchase Price of Property	$3,500,000
Property Type	Dental Practice
Building Sq Ft	5,000
Entire Site Sq Ft	34,500
Date Acquired	2023
Federal Tax Rate	35%
State Tax Rate	7%
Combined Tax Rate	40%
ROI Factor	8%
Bonus Depreciation	80%

RESULTS — BUILDING ALLOCATION AFTER



- 5-Year Personal Property **$1,050,000 · 30%**
- 15-Year Land Improvements **$350,000 · 10%**
- 39-Year Real Property (1250) **$2,100,000 · 60%**

SUMMARY OF BENEFITS	
Increased Depreciation – Tax Year 2023	$1,149,047
Increased Cash Flow – Tax Years 2023-2027	$468,366
Net Present Value (NPV)	$362,844

If you are interested in capitalizing on Cost Segregation services for your business, our team of experts can help. For more information about construction tax planning and other services provided by Specialty Tax Group, please contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Self-Storage Cost Segregation

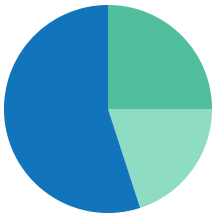
ARE YOU A SELF-STORAGE OWNER LOOKING TO INCREASE CASH FLOW, ACCELERATE TAX DEPRECIATION DEDUCTIONS, AND REDUCE YOUR TAX LIABILITY? COST SEGREGATION SERVICES CAN HELP.

Self-storage facilities fall into two typical categories: climate-controlled and non-climate-controlled. Climate controlled self-storage facilities are more expensive to build and operate. They allow for a wider variety of storage options where special conditions are required, for computer equipment or books, photographs or art. This type of facility is where cost segregation can often uncover as much as 40 percent qualifying 5-year Personal property while the Real property is considered IRC Sec. 1250 property that is depreciated over 39-years.

Some qualifying assets under IRC Sec. 1245 include specialty electrical systems & HVAC, theft detection systems, security fencing, movable interior walls, and much more. Non-climate-controlled self-storage facilities typically realize upwards to 35 percent qualifying tangible personal property. Both types of self-storage facilities benefit greatly from the cost segregation applied. Below is a recent case study that highlights some of the benefits of cost segregation services for self-storage owners:

PROPERTY DETAIL	
Purchase Price of Property	**$5,500,000**
Property Type	**Self Storage**
Building Sq Ft	**265,000**
Entire Site Sq Ft	**404,920**
Date Acquired	**2023**
Federal Tax Rate	**35%**
State Tax Rate	**7%**
Combined Tax Rate	**40%**
ROI Factor	**8%**
Bonus Depreciation	**80%**

RESULTS — BUILDING ALLOCATION AFTER



- 5-Year Personal Property **$1,375,000 · 25%**
- 15-Year Land Improvements **$1,100,000 · 20%**
- 39-Year Residential Real **$3,025,000 · 55%**

SUMMARY OF BENEFITS	
Increased Deductions - Tax Year 2023	**$2,004,750**
Increased Cash Flow - Tax Years 2023-2027	**$759,679**
Net Present Value (NPV)	**$536,114**

If you're a self-storage owner interested in finding out how cost segregation services can help you, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Airbnb & VRBO – Transit Use Dwelling

BACKGROUND

It is a residential rental vacation home gold rush! Airbnb has roughly 5.6 million active listings in 220 countries, and 60% of its users are millennials. COVID and the "work from anywhere" culture have forever shifted how we travel. "For Rent by Owner" websites/apps have catapulted the popularity of renting unique residential rental space on a short-term basis. Taxpayers are seeking to secure their own residential rental property but there is confusion as to how they are treated for Tax Depreciation purposes.

Many Taxpayers start by trying to define the rental as a "Dwelling-Unit" which is a Gross-Receipts Tests. Sec. 168(e)(2) defines residential rental property as any building or structure from which 80% or more of the gross rental income for the tax year is from dwelling units. However, the 80%-gross-receipts test is disregarded if more than 50% of the dwelling units are used on a "transient" basis. A dwelling unit is defined as "transient" if occupied by a tenant or series of tenants, each of whom occupied the unit for less than 30 days.

THE FACTS

A residential rental property or "dwelling unit" is most often a house or apartment used to provide living accommodations in a building or structure, but it does not include a unit in a hotel, motel, or other establishments in which more than 50% of the units are used on a transient basis. The IRS specifically excludes units that are rented on a "transient basis." While the IRS does not clearly define transient, it often uses a lease term of 30 days or less. Former IRS (PLR-139827-07) guidance states that a dwelling unit was used on a transient basis if more than one-half of the days in which the unit was occupied on a rental basis during the taxpayer's tax year, it was occupied by a tenant or series of tenants, each of whom occupied the unit for less than 30 days.

> **STG TAX INSIGHT:** Most owners of short-term rentals with an average stay of under 30 days would more accurately depreciate their nonresidential Airbnb & VRBO property over 39 years (not 27.5 years). This means that future interior renovations may be eligible for Qualified Improvement Property (QIP).

The definition of dwelling units indicates that, under the right circumstances, properties such as nursing homes, retirement homes, and college dormitories can qualify as residential rental properties as long as they do not violate the transient-basis requirement. Depreciation can begin as soon as the property is ready for its intended use as a rental property and you can continue to take depreciation deductions until you have written off the entire value.

UTILIZATION

Accelerated depreciation deductions through a cost segregation study are a powerful tool to help increase tax deductions for Airbnb & VRBO host owners. Personal Property will be depreciated over 5-years, while land improvements will be depreciated over a 15-year period. Both will be subject to first-year bonus treatment.

For more information about Short-term Residential Rentals and how your company can benefit, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Construction Tax Planning

CONSTRUCTION TAX PLANNING AND YOUR BOTTOM LINE

Currently, constructing a large Commercial or Residential building? Construction Tax Planning (CTP) can accelerate tax depreciation deductions, reduce tax liability, and increase cash flow for your business. CTP is a proactive asset review and differs from a traditional cost segregation study. This strategy helps clients during the construction process to identify tax benefits by recognizing qualifying assets and documenting their design and construction from the earliest stages of the project.

The result? Better capital vs. expense identification, correct federal tax depreciation treatment, and enhanced Unit of Property (UoP) classification. For example, On average, for every $10 million of 39 or 27.5-year property reclassified to 5 or 15-year property, the present value of the net cash flow (at 8 percent associated with the acceleration of depreciation) is approximately $2 million.

HOW WE CAN HELP

Our team members draw from their architectural, engineering, and construction management skills to provide deliverables that analyze each asset from a tax law perspective. Our team's extensive experience in construction tax planning and authority in "Real Property" designation can help you make the most of your construction tax planning. STG's reports will obtain documentation that helps business owners achieve an expanded range of benefits when compared to traditional cost segregation.

In order to ensure the best results possible, our team will examine your individual situation and meet with contractors, vendors, project managers, engineers, and architects to gain an in-depth understanding of the building design and how it will interact with your business within. Through this process, we will record a wide scope of documentation about your construction plans, including:

- Audit trail of actual project costs and their characterization
- Photographs of relevant assets during installation and after completion
- Design narratives and evidencing the character of the relevant assets
- Tax technical support & complete depreciation schedules ready for upload

If you are interested in capitalizing on construction tax planning services for your business, we are here to help. For more information about construction tax planning and other services provided by Specialty Tax Group, please contact us today:

www.specialtytaxgroup.com

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General Asset Account (GAA)

IF YOU PURCHASE A BUILDING THAT MAY NEED TO BE DEMOLISHED IN THE FORESEEABLE FUTURE, YOU MIGHT BE DISAPPOINTED TO LEARN THAT YOU WOULD LOSE ALL FUTURE TAX DEPRECIATION DEDUCTIONS ASSOCIATED WITH THE BUILDING.

However, there is a potential solution. Tangible property regulations provide a potential opportunity to continue depreciating a building after demolition has occurred – introducing general asset accounts.

HOW GAAs CAN HELP YOUR BUSINESS FOLLOWING A BUILDING DEMOLITION

General asset accounts group together assets that share similar traits and are depreciated as if they collectively represent a single asset. To utilize this strategy, a taxpayer must elect to include the building in a General Asset Account (GAA) in the year the building is placed in service. Furthermore, compliance with all applicable GAA rules is expected. A taxpayer that continues to depreciate a demolished building in a GAA can use those deductions against future income.

WHAT YOU NEED TO KNOW

However, there are rules and regulations guiding this strategy. For example, this strategy does not work for any building acquired and demolished in the same tax year. Additionally, the anti-abuse rules are unclear on the extent to which taxpayers can use this strategy if there is clear intent to demolish the building at the time of acquisition.

While GAAs can seem confusing, we're here to help you every step of the way. For more information about GAAs, and how this strategy could work for your business, please contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Georgia Retraining Tax Credit (RTC)

THE RETRAINING TAX CREDIT ALLOWS GEORGIA BUSINESSES TO OFFSET THEIR INVESTMENT IN THEIR EMPLOYEES, REDUCE THEIR GEORGIA INCOME TAX LIABILITY, AND INCREASE CASH FLOW.

WHAT IS THE RETRAINING TAX CREDIT?

The Georgia Retraining Tax Credit is a state credit available to companies that train their employees on new software, equipment, and technology as well as upgrading the company's competitiveness with ISO 9000. The method of training can vary and includes vendor-led, webinars, peer-to-peer, or even on-the-job self-learning. The credit calculation is reviewed and signed off on by the state prior to filing on the tax return.

Retraining tax credits can be used to offset up to 50 percent of a company's Georgia corporate income tax liability. If the earned credit exceeds that limit, then the unused credit can be carried forward for up to 10 years and applied to future years' tax liability.

HOW IS THE RETRAINING TAX CREDIT CALCULATED?

The RTC is equal to one half of the direct cost of training and allows for a credit of up to $1,250 per qualified employee per year. Eligible expenses that can be included in the calculation include:

- Cost of instructors (internal or external);
- Teaching materials;
- Travel expenses; and
- Employee wages for time spent in training

HOW TO KNOW IF YOUR BUSINESS CAN BENEFIT FROM THE RTC

Businesses in any industry that file a Georgia income tax return are eligible for the retraining tax credit. Eligible employees must be:

- Georgia residents;
- First-line employees or immediate supervisors;
- Continuously employed with the company for a minimum of 16 weeks;
- Full-time employees (25+ hours per week)

If your company recently had a software implementation, is a software-heavy organization, or uses software for which upgrades are pushed out over the cloud automatically, you would be ideal candidate to benefit from this credit.

For more information about the Georgia Retraining Tax Credit and how your company can benefit, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Georgia Jobs Tax Credit (JTC)

CREATING NEW JOBS IN GEORGIA IS A GOOD WAY TO REDUCE (AND POTENTIALLY ELIMINATE) YOUR COMPANY'S CORPORATE TAX LIABILITY.

WHAT IS THE GEORGIA JOBS TAX CREDIT?

New and expanding companies may earn Jobs Tax Credits (JTC) for creating new jobs in Georgia. The JTC gives a qualified company a credit ranging from $1,250 to $4,000 per year for 5 years for every new job created.

TO QUALIFY:

- The new jobs must be in a specific industry sector, such as manufacturing, warehousing and distribution, logistics, software development, FinTech, contact centers, telecommunications, R&D facilities or data processing or be the headquarters of such an industry. Companies in any industry are qualified as long as they are located within a Military Zone, Opportunity Zone or in one of the 40 least-developed counties.
- You must create a minimum number of jobs within a year. The number depends on your company's tier or special zone (more on this below).
- To keep earning the credit for all 5 years, the jobs you create must be maintained for all of those years. If the project creates new jobs above the minimum threshold, a new 5-year window opens.

VALUE:

The credit value depends on where the new jobs are located. Each year, all 159 Georgia counties are assigned to one of four tiers based on unemployment rate, per capita income, and poverty rate. Counties with the highest levels of economic distress are classified as Tier 1 counties and earn the highest credits. See full breakdown below:

- Tier 1 - $4,000 credit per new job per year for 5 years with a minimum of 2 new jobs
- Tier 2 - $3,000 credit per new job per year for 5 years with a minimum of 10 new jobs
- Tier 3 - $1,750 credit per new job per year for 5 years with a minimum of 15 new jobs
- Tier 4 - $1,250 credit per new job per year for 5 years with a minimum of 25 new jobs

SPECIAL ZONES: These smaller areas are defined as Military Zones, Less Developed Census Tracts and Georgia Opportunity Zones (which differ from the new Federal Opportunity Zones). A new job created in these zones may earn a credit of $3,500 per year for 5 years, no matter the county location.

- Opportunity Zone and Military Zone - $3,500 per new job per year for 5 years with a minimum of 2 new jobs
- Less Developed Census Tract - $3,500 per new job per year for 5 years with a minimum of 5 new jobs

PAYROLL WITHHOLDING: JTCs may be used to lower payroll withholding obligations if the job is created in a special zone or a Tier 1 county.

PORT TAX CREDIT BONUS: An additional $1,250 per job, per year for 5 years is available for taxpayers with qualified increases in shipments through a Georgia Port.

For more information about the JTC and how it can help you, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Georgia Quality Jobs Tax Credit

UNLOCK SUBSTANTIAL INCENTIVES FOR YOUR BUSINESS GROWTH WITH SPECIALTY TAX GROUP (STG)

Georgia's Quality Jobs Tax Credit provides up to $5,000 per qualifying job, per year, for up to five years for companies creating high-wage positions in designated counties.

The credit offsets Georgia income tax liability and, in certain cases, may be applied against payroll withholding obligations - enhancing its practical value for growing businesses. When aligned with hiring strategy, the program can materially reduce state tax exposure while supporting workforce expansion.

EXAMPLE

75 X $5,000	=	**$375,000**	X	**5**	=	**$1,875,000**
NEW JOBS* × CREDIT		CREDIT PER CALENDAR YEAR		# YEARS		TOTAL CREDIT

**Minimum 50 over 24 months*

WHO CAN BENEFIT?

- Companies who added 50 or more full-time jobs in urban/suburban Georgia within 24 months paying 110% above county wages.
- Companies who added 10-25 new full-time jobs in rural Georgia within 12 months paying 110% above county wages.

HOW SPECIALTY TAX GROUP CAN HELP

Eligibility Assessment	Identify if your job ramp-up qualifies and estimate potential value.	**Job Classification**	Ensure new job roles meet Georgia's requirements.
Technical Expertise	Expect precise calculation for one of Georgia's most complicated credits.	**Credit Optimization**	Benefit from our vetted strategy to identify the best window to claim.
Documentation + Filing Support	Avoid costly mistakes and ensure accurate filings.	**Audit Readiness + Compliance Review**	Be prepared for potential state reviews and audits.

CONTACT US

Our experienced team brings a holistic view to all engagements and prides itself on coming along side you to maximize savings while minimizing the internal effort required to take advantage of this valuable tax savings tool.

LEARN MORE

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Georgia Investment Tax Credit (ITC)

INVESTMENT TAX CREDITS HELP GEORGIA BUSINESSES GROW BY MAKING IT MORE AFFORDABLE TO EXPAND AND IMPROVE FACILITIES.

WHAT IS THE GEORGIA INVESTMENT TAX CREDIT?

Companies in manufacturing or telecommunications support that have operated in Georgia for at least three years are eligible to earn investment tax credits for upgrades or expansions. Credit earned amounts to 1 percent to 8 percent of qualified capital investments. Companies should compare the benefits of the investment tax credit with those of the job tax credit, as taxpayers are allowed to claim one or the other, but not both.

TO QUALIFY:

- Must have operated a manufacturing or telecommunications facility in Georgia for at least 3 years.
- Must make a minimum investment of $100,000 in a new or existing manufacturing or telecommunications facility in Georgia

VALUE:

The credit is calculated using two factors:

- Geographic location. Companies in the state's less prosperous counties receive larger credits.
- Type of investment. Companies that invest in recycling equipment, pollution control or in converting a defense plant manufacturing facility to a new product earn tax credits of 3 percent to 8 percent of their capital outlay. Investment in general equipment for manufacturing or telecommunications services earns tax credits of 1 percent to 5 percent.

UTILIZATION:

Investment tax credits can be used to offset up to 50 percent of a company's Georgia corporate income tax liability. If the earned credit exceeds that limit, then the unused credit can be carried forward for up to 10 years and applied to future years' tax liability.

PAYROLL WITHHOLDING: Companies in designated rural counties within Tiers 1 or 2 can apply credits to payroll withholding. The amount that can be applied to payroll withholding is capped at $1M per company each year.

PORT TAX CREDIT BONUS: The Port Bonus increases the ITC to the equivalent of a Tier 1 location regardless of the tier level at the facility location.

For more information about the Georgia Investment Tax Credit and how it can help you, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Tennessee Job & Industrial Machinery Tax Credits

TAXPAYERS THAT CREATE JOBS AND INVEST IN MACHINERY IN TENNESSEE MAY BE ELIGIBLE FOR TENNESSEE TAX CREDITS.

TENNESSEE JOB TAX CREDIT

Taxpayers that meet the requirements of a qualified business enterprise, make the required capital investment of at least $500,000 within three years (five years in a tier 3 or 4 enhancement county), and create a minimum number of qualified jobs from the investment may receive a job tax credit equal to $4,500 for each qualified job.

Minimum Number of Qualified Jobs to Qualify:

- 25 jobs in a tier 1 or 2 enhancement county
- 20 jobs in a tier 3 enhancement county
- 10 jobs in a tier 4 enhancement county

TENNESSEE INDUSTRIAL MACHINERY TAX CREDIT

Taxpayers that meet the requirements of a qualified business enterprise and make capital investment in qualified industrial machinery can receive a credit of 1% to 10% for the purchase, third party installation and repair of the qualified industrial machinery.

Eligible Industries:

- Headquarters
- Manufacturing
- Data Centers
- Warehousing and Distribution
- Call Centers

Credit Amount by Investment:

- <$100,000,000 – 1% of investment
- >$100,000,000 – 3% of investment
- >$250,000,000 – 5% of investment
- >$500,000,000 – 7% of investment
- >$1,000,000,000 – 10% of investment

CLAIMING THE CREDITS: The credits may offset up to 50% of the taxpayers franchise and excise taxes. Unused standard job tax credit may be carried forward up to 15 years.

For more information about these Tennessee tax credits and how your company can benefit, contact us today:

www.specialtytaxgroup.com

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South Carolina Jobs Tax Credit

The Jobs Tax Credit is a valuable financial incentive that rewards new and expanding companies for creating jobs in South Carolina. In order to qualify, companies must create and maintain a certain number of net new jobs based on monthly average from one year to the next.

THE FOLLOWING TYPES OF BUSINESSES QUALIFY FOR THE JOBS TAX CREDIT:

Manufacturing and processing, warehousing and distribution, research and development, agribusiness operations, qualifying technology-intensive facilities, and Corporate office facilities housing a majority of the headquarters functions must create a monthly average of 10 net new jobs. Qualified service-related facilities (in certain circumstances).

THE VALUE OF THE CREDIT DEPENDS ON THE COUNTY'S DEVELOPMENT TIER AS SET FORTH BELOW:

COUNTY'S DEVELOPMENT TIER	
Tier I	$1,500
Tier II	$2,750
Tier III	$20,250
Tier IV	$25,000

THE SOUTH CAROLINA SMALL BUSINESS JOBS TAX CREDIT

- Counties are re-ranked every year based on unemployment rates and per capita income, and the ranking of a county may change from year to year. The credit is available for a five-year period beginning with Year **2** (Year **1** is used to establish the created job levels.) The credit can be applied against corporate income tax or premium tax but cannot exceed **50%** of the year's tax liability. Unused credits may be carried forward for **15** years from the year earned.
- If the company is a manufacturing, processing, warehousing and distribution, research and development, agribusiness, or qualified technology intensive facility or a corporate office that has fewer than **99** employees worldwide, the company could qualify for the **Small Business Jobs Tax Credit by** creating a monthly average of **2** net new jobs, instead of **10**.
- Under the Small Business Jobs Tax Credit, the company may only get the full credit amount for net new jobs that pay **120%** of the county's average hourly rate.
- For jobs that pay less than **120%** of the county's average hourly wage rate, credits from **$750** to **$12,500** per job (or **$1,750** to **$13,000** in a multi-county industrial park) may be available for qualifying companies.

For more information about the South Carolina Jobs Tax Credit and how your company can benefit, contact us today:

www.specialtytaxgroup.com

SPECIALTY TAX GROUP



Transfer Pricing Services

In today's increasingly interconnected economy, companies find themselves situated in tax jurisdiction spanning the globe.

Multinational enterprises doing business with their related parties abroad face the challenge of complying with a complex web of transfer pricing rules and regulations in order to (1) mitigate double taxation risk, (2) comply with documentation requirements, and (3) provide planning opportunities for tax optimized intercompany policies.

Our services are tailored to that end and range in their complexity and related compliance with rules and regulations based on your specific needs.

BENCHMARKING

Transfer pricing benchmarking analyses are regularly used by businesses looking to gain an overall or transaction-level view of profitability for their business. These analyses are relevant for soon-to-be formed, newly formed, and long-established U.S. companies desiring to determine their margins or markups necessary for the related party transactions tied to their business activities in order to be in compliance with the arm's length standard prescribed under the U.S. transfer pricing rules.

These analyses can be the foundation of or a supplement to compliance with documentation requirements, but generally do not meet the Internal Revenue Code (IRC) Section 6662 documentation requirements and are not intended to serve as comprehensive transfer pricing documentation to support a taxpayer's existing intercompany pricing policies.

ECONOMIC ANALYSES

Slightly expanded in scope relative to benchmarking, economic analyses answer the important question of whether a taxpayer's intercompany transactions in the subject year met the arm's length standard prescribed under the U.S. transfer pricing rules. These analyses go beyond just providing industry data through a comparison of the taxpayer's results against the interquartile range of profits achieved by a group of comparable companies for the tax year in question. Reinforcing the reliability of the range is the application of working capital adjustments to the comparable companies' financial data. These adjustments are designed to account for differences in the working capital accounts of the taxpayer and the comparable companies. An economic analysis represents the profit benchmarking component that is critical for most U.S. transfer pricing documentation and can be modified at a later date to meet all of the documentation requirements present in a comprehensive documentation engagement.

COMPREHENSIVE DOCUMENTATION

Comprehensive documentation engagements are appropriate when the highest level of assurance and risk mitigation is desired. These engagements deliver documentation that is aligned with the IRC 6662 documentation requirements. Having such documentation prepared in a timely manner and on a contemporaneous basis puts you in the best possible position for a possible transfer pricing examination and significantly reduces, and in many cases eliminates, any risk of the imposition of penalties should an adjustment to taxable income be proposed and sustained during the course of an IRS examination.

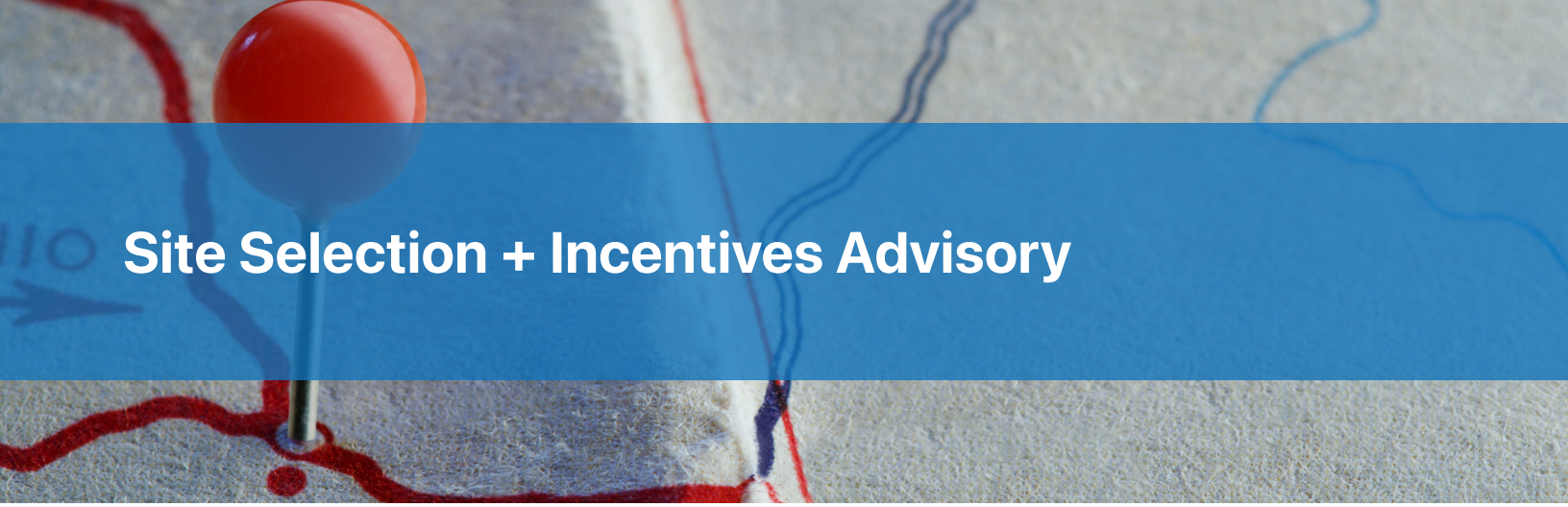
Element of Analysis	Benchmarking	Economic Analysis	Comprehensive Documentation
Search for Comparable Companies	×	×	×
Calculation of Profit Ranges	×	×	×
Calculation of Working Capital Adjustments		×	×
Comparison of Taxpayer Results for Peer Group		×	×
Function of Risk Analyses		Limited	×
Narrative on History and Nature of U.S. Business			×
Consideration of Available Methods and Selection of Best Method			×
Meets the IRC §6662 Documentation Requirements			×

CONTACT US

Our experienced team brings a holistic view to all engagements and prides itself on coming along side you to maximize savings while minimizing the internal effort required to take advantage of this valuable tax savings tool.

www.specialtytaxgroup.com

LEARN MORE



Site Selection + Incentives Advisory

Businesses looking to expand, add a new facility, relocate, consolidate, or increase capital investments to support growth are navigating increasing challenges in a rapidly evolving economic landscape. This environment is shaped by workforce shortages, supply chain disruptions, regulatory shifts, global uncertainties, and real estate constraints. By leveraging expert insights, accurate data and incentive optimization, businesses can make informed decisions that drive long-term success and financial efficiency.

KEY SITE SELECTION CHALLENGES

Challenges	Key Hurdles
Workforce Limitations	Access to skilled labor, wage levels, and competition for talent.
Supply Chain Constraints	Proximity to suppliers, customers, ports, and distribution hubs.
Power + Infrastructure	Availability of reliable, scalable utilities and supporting infrastructure
Industrial Real Estate	Site availability, occupancy costs, and speed to secure property
Regulatory + Economic Risk	Trade policies, taxes, regulations, and changing market conditions

A STRATEGIC APPROACH TO LOCATION DECISIONS

Specialty Tax Group helps businesses evaluate locations using factors that extend beyond incentives alone. Our approach considers workforce, logistics, infrastructure, operating costs, real estate, risk, and long-term growth potential to help companies make informed decisions that improve financial efficiency and project success.

HOW WE SUPPORT YOUR PROJECT

- Site and market analysis to compare locations, costs, risks, and growth potential
- Workforce and labor analytics covering availability, wage trends, and skill gaps
- Supply chain and infrastructure review to identify logistical or operational risks
- Financial modeling to evaluate taxes, incentives, and long-term operating costs
- Incentive identification and negotiation to reduce capital and operational expenses
- Due diligence and project impact analysis to uncover potential issues before commitments are made

BETTER DATA. BETTER LOCATION DECISIONS.

Incentives can meaningfully improve project economics, but they shouldn't be the only factor driving a location decision.

A successful site strategy balances available incentives with workforce access, infrastructure, logistics, real estate, operating costs, and long-term business objectives.

GET STARTED

For more information about Site Selection and Incentives Advisory, contact:

www.specialtytaxgroup.com

LEARN MORE



Site Selection & Incentives Cheat Sheet

WHAT IS SITE SELECTION AND INCENTIVES?

Site selection and incentives consulting helps companies optimize location decisions while maximizing federal, state, and local economic development incentives.

Programs may include tax credits, grants, PILOT agreements, training subsidies, utility incentives, and infrastructure support. Engagements may involve new facilities, expansions, relocations, consolidations, or reshoring projects.

IDEAL CANDIDATES

- $10M+ in capital investment
- 25+ net-new full-time employees
- Wages at or above the local average
- A new facility, expansion, relocation, or reshoring project
- $50M+ in annual revenue or Series B+ funding

REPRESENTATIVE INDUSTRIES

Advanced manufacturing, logistics and warehousing, renewable energy, data centers, industrial R&D, controlled-environment agriculture, cold storage, biopharma, specialty chemicals, EV supply chain, and heavy industrial operations.

SCOPE OF SERVICES

- Multi-state location strategy
- Site and GIS market analysis
- Labor and workforce evaluation
- Incentive benchmarking and negotiation
- Cost-benefit and project impact modeling
- Confidential RFI/RFQ coordination
- Market entry analysis

TRIGGER EVENTS

- Multi-year capital investment
- Facility expansion or consolidation
- Outgrowing an existing location
- New headquarters, plant, or distribution center
- Evaluating multiple states or sites
- Significant power, water, broadband, or infrastructure needs

MINIMUM QUALIFICATION THRESHOLDS

Criteria	Threshold
Net-New Jobs	25+ employees
Capital Investment	$10M+
Wage Standard	Local or county average
Company Size	$50M+ revenue or Series B+
Project Scope	New facility, expansion, relocation, or reshoring

QUALIFYING QUESTIONS

- Is a capital project planned within 12–36 months?
- Will it create 25+ jobs or involve $10M+ in investment?
- Are multiple locations being considered?
- Could incentives materially improve ROI?
- Must the project remain confidential?

INCENTIVES COMMONLY SECURED

Infrastructure grants, property tax abatements, PILOT agreements, utility incentives, job creation credits, hiring grants, training incentives, discounted land, and low-interest or forgivable loans.

CONTACT

www.specialtytaxgroup.com



Incentive Opportunity Assessment

Mergers, acquisitions, and leadership changes often inherit incentive programs that are missed, misunderstood, or misapplied. These incentives, tied to hiring, capital investment, training, and facility decisions, can quietly lapse, trigger recapture, or remain unrealized without focused review.

Specialty Tax Group's Incentive Opportunity Assessment gives finance leaders a clear view of existing, pending, and overlooked incentives. We identify what may be at risk, what value can still be captured, and what actions should be prioritized moving forward.

WHAT OPPORTUNITIES WE REVIEW

Past, current, and planned activities that may trigger incentives:

- Job creation and wage-based tax credits
- Training and retraining incentives
- Capital investment and equipment-based credits
- Sales and use tax abatements or refund programs
- Facility expansions, new locations, and relocations
- Location-based programs tied to designated zones, industries, or communities

WHAT YOU RECEIVE

Delivered in a concise, finance-ready format:

- Identification of existing, pending, and overlooked incentives
- Review of eligibility, documentation, and compliance requirements
- Estimated value ranges and potential timing
- Evaluation of carryforwards, recapture risk, and audit exposure
- A prioritized action plan to protect and optimize incentive value

WHEN THIS ASSESSMENT IS MOST VALUABLE

- Post-acquisition or merger integration
- New CFO or Controller onboarding
- First audit or tax filing under new ownership
- Evaluation of inherited compliance or recapture risk
- Aligning incentives with updated growth or consolidation plans

REDUCE RISK. CAPTURE VALUE. CREATE CERTAINTY FOR FUTURE GROWTH.

Incentive agreements often span multiple years and are based on assumptions that may evolve with changes in ownership, leadership, or operating strategy. Capital investment and job commitments can materially affect eligibility, compliance requirements, and credit utilization.

Proactive incentive assessments protect value and position companies to capture additional opportunity as business plans evolve.

GET STARTED

For a complimentary incentive eligibility review and assessment, contact:

www.specialtytaxgroup.com

LEARN MORE



Market Entry Analytics

Before capital is committed for a new location or expansion, business stakeholders require accurate, comparable, and defensible data on regional economic stability, supply chain access, cost structure, workforce depth, infrastructure capacity, competitive dynamics, and incentive feasibility. Rigorous analysis reduces uncertainty and supports confident investment decisions.

Specialty Tax Group provides independent, data-driven market studies and incentives advisory aligned with operating requirements to support confident location decisions and strengthen long-term project economics.

MARKET SELECTION + COMPARATIVE ANALYSIS

Shortlisted markets are evaluated across the factors that most directly impact long-term performance:

- Logistics access, transportation efficiency, and supply chain costs
- Real estate availability, pricing, timelines, and site readiness
- Labor supply, wage levels, training resources, and scalability
- Proximity to customers, suppliers, and growth markets
- Regional economic health, demographics, and cost-of-living dynamics
- Tax structure and recurring operating cost implications
- Infrastructure capacity, utilities, and permitting environment
- Availability and potential value of state and local incentives
- Competitive density and presence of peer or complementary businesses

INCENTIVES IDENTIFICATION + NEGOTIATION

We identify, model, and support the capture of incentives that improve project economics, including:

- Job creation and capital investment tax credits and abatements
- Workforce training grants and customized training programs
- Infrastructure and site-readiness support
- Performance-based incentives aligned to achievable milestones

BUILT-IN RISK MITIGATION

Our approach helps organizations:

- Quantify total operating and occupancy costs across markets
- Avoid over-concentrated or highly competitive labor environments
- Align site decisions with realistic workforce and growth assumptions
- Confirm incentives are achievable, compliant, and monetizable
- Preserve flexibility and scalability over time

CONTACT US

We deliver comprehensive, objective market evaluations comparing candidate locations across supply chain access, cost structure, workforce dynamics, infrastructure capacity, tax environment, and incentive opportunity, aligned to each company's operating model and growth strategy so leadership can move forward with clarity and confidence.

GET STARTED

Discuss your market entry strategy and determine whether a proactive study can strengthen your expansion decision.

www.specialtytaxgroup.com

LEARN MORE



Incentive Opportunities for a Growing Mobility Company

IMMEDIATE OPPORTUNITY

Virginia Enterprise Zone Job Creation Grant

The company's headquarters is located within the City of Richmond Enterprise Zone. The Virginia Enterprise Zone Job Creation Grant is the most viable opportunity based on its current operations.

No project or expansion is required. Eligibility is based on job creation within the zone. Potential benefits include:

- Up to $500 or $800 per qualifying job each year
- Benefits over a five-year period
- Eligibility tied to qualifying net new permanent full-time jobs

The company should continue tracking future job growth and evaluate eligibility annually.

FUTURE INCENTIVE OPPORTUNITIES

Hiring, Training, and Investment

The Virginia Jobs Investment Program may support companies creating new jobs or upskilling employees in Virginia. This program should be considered as the company continues to scale and plans future hiring, training, and capital investment.

Research and Development Tax Credits

The company currently receives R&D tax credits. Continued expansion of eligible R&D activities is recommended, along with ongoing calculation and documentation support.

MARKET GROWTH OPPORTUNITIES

While transit agencies and municipalities receive the funding, understanding where those dollars are concentrated may help the company identify markets already funded for:

- ADA and paratransit services
- Demand-response and on-demand mobility
- Mobility management platforms
- Driver training and rider assistance
- Contracted transportation providers

These markets may offer faster sales cycles, larger contract opportunities, and more stable long-term revenue.

> Continued growth may create meaningful benefits through future job creation, training, technology development, and federally funded mobility markets.

RECOMMENDED NEXT STEPS

- Pursue Virginia Enterprise Zone Job Creation Grants for qualifying new hires
- Develop incentive strategies before future hiring or investment decisions
- Continue expanding and documenting eligible R&D activities
- Identify transit agencies and markets receiving federal mobility funding
- Continue building transit agency partnerships related to mobility and coordination grants

GET STARTED

We are ready to support company leadership by guiding incentive strategies, identifying federally funded markets, coordinating and negotiating with agencies, and tracking program compliance to ensure the company realizes the full value of these opportunities as it grows.

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Qualified Small Business Payroll Tax Credit for Increasing Research Activities

Start-up businesses regularly generate losses in the early stages of getting off the ground. This presents a challenge for companies attempting to justify the costs associated with properly vetting and claiming credits for research and development spend when these credits are generally applied against tax liabilities at the federal and state levels.

However, a unique opportunity to more immediately monetize federal R&D credits claimed is available for start-up businesses, which in many cases epitomize exactly the type of companies for which the R&D credit was created.

Enter the qualified small business payroll tax credit for increasing research activities. The Internal Revenue Service understands that early-stage businesses oftentimes are not cash flow positive or in a position of taxable income. As a result, the IRS created this election for so-called "qualified small businesses" to apply any R&D credits claimed against up to $500,000 of federal social security and Medicare payroll tax liabilities.

The requirements to be considered a qualified small business are laid out in IRS Notice 2017-23 and generally are as follows for corporations (including S corporations) as well as partnerships:

- Has gross sales of less than $5,000,000 for the taxable year for which the election is being made.
- Did not have sales reported on a tax return for any taxable year before the five taxable year period ending with the taxable year of election.

There are certain additional factors that may be applicable against a taxpayer's specific facts and circumstances, but in general, the requirements are fairly straightforward for most companies looking to take advantage of this valuable cash flow infusion opportunity.

R&D Tax Credit : Extensive Knowledge + Responsive Service

Specialty Tax Group's experienced team brings a holistic view to the R&D tax credit process and will work closely with you and your development team to maximize the R&D credit savings available to your company.

Working with our team, you will gain confidence and satisfaction in the outcome of your engagement as you experience a high standard of service, a responsive approach to communication, and a clear fee that does not involve contingencies.

Supercharge Your Foreign Sales With the FDII Deduction

THE BASICS

Introduced by the Tax Cuts and Jobs Act (TCJA) in December 2017, the FDII deduction was created to encourage U.S. C corporations to drive export activity of property and services by granting a lower effective tax rate of 13.125% (14% in 2026 and future years) on income derived from foreign customers.

With FDII (renamed to FDDEI beginning in 2026) being made permanent by the One Big Beautiful Bill, C corporations can count on this meaningful benefit moving forward. Businesses with historically significant or surging foreign sales as well as those who have recently turned a corner into profitability can reap significant tax savings.

The FDII deduction is tied to income associated with the following types of revenue generated from foreign customers for use in their foreign operations:

- Sales of tangible property
- Sales of services
- Sales of intangible property (license of patents/trademarks/copyrights) to foreign customers

We add value for our clients by performing detailed review of their revenue mix as well as cost allocation analyses to optimize the benefit available to them for their export sales activities. Manufacturers, distributors, and service providers (including SaaS companies) stand to realize substantial tax savings through partnering with our experienced team.

For all engagements, detailed calculations supporting the deductions claimed are generated and when deemed necessary comprehensive supporting documentation compliant with Internal Revenue Code Section 250 and its underlying regulations are prepared to provide the highest level of assurance for your derived tax savings.

ILLUSTRATIVE CASE

EXAMPLE: FDII DEDUCTION IMPACT

Consider a mid-sized U.S. C corporation with the following facts:

COMPANY SNAPSHOT:

Total Revenue
$25,000,000

Foreign Sales
50%

Taxible Income
$2,500,000

Similar Domestic and Foreign Cost Structures

TAX IMPACT

Without FDII Deduction (21% rate)
$525,000

With FDII Deduction (13.125% rate on eligible income)
$426,500

Annual Tax Savings
$98,500

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