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# Burn$ Funding Introduces New Division to Help Entrepreneurs Raise Capital By Applying An Underutilized Tax Law

*Burn$ Funding announced today the introduction of Cost Segregation Studies for Entrepreneurs, as a way to help entrepreneurs raise capital for their businesses.*

Peter J. Burns III

LA JOLLA, CALIFORNIA, UNITED STATES, August 29, 2019 /EINPresswire.com/ -- Countless entrepreneurs are watching their businesses languish on the vine because they have exhausted traditional funding sources and don't know where else to turn.

That scenario is one of the main reasons why serial start-up entrepreneur Peter J. Burns III started Burn$ Funding earlier this year. As Burn$ Funding builds out its product offering, the company announced today the introduction of Cost Segregation Studies for Entrepreneurs, specifically to help entrepreneurs raise capital for their businesses.
What is a Cost Segregation study?

A Cost Segregation study identifies aspects of physical property that can be placed on accelerated depreciation life cycles, which can potentially result in huge tax savings for eligible property owners.

"One of the first questions that comes to mind when I tell a small-business owner about Cost Segregation is, 'Is it legal?'," said Burns. "Yes, Cost Segregation is perfectly legal and IRS-compliant. The IRS has even published guidelines for a proper Cost Segregation study on its website. Even better, it is an easy process for the property owner, with the help of an experienced professional."

> Cost Segregation is a process through which a Certified Analyst appraises a commercial property and adjusts the scheduled depreciation life cycle of non-structural elements."
>
> *Peter J. Burns III*

While the modern application of Cost Segregation can be traced most directly to two landmark 1997 court cases, Burns was the first to tie Cost Segregation studies to other business ventures back in 2005, while serving as an adjunct faculty member at the Barrett Honors College at Arizona State University. Partnering with a student enrolled in his entrepreneurship-centric "Ready, Fire, Aim" course, Burns created a marketing company for Cost Segregation Studies and managed to generate over $180,000 of profit in only three months. Shortly thereafter, other opportunities beckoned, and Burns put Cost Segregation on the back burner.

But not for long. Burns soon devised a number of unique applications for the strategy of Cost Segregation and filed several provisional patent pending applications, one of which centered on charitable fundraising. Burns expanded on this application when he was invited two years ago to serve as a board member at an entrepreneurial center that is part of a major west coast university. Burns showed the board to how, by promoting Cost Segregation to donors, they could dramatically increase donations at essentially no cost to the donors. This is just one example, but the message is that Burn$ Funding knows that there is a tremendous opportunity for every 501c-3 charity to use Cost Segregation as a way to raise funds from donors who own eligible property.

Cost Segregation Studies and Their Application for the Entrepreneur

So what is Cost Segregation and how can it be useful in securing growth capital for your business?
Put simply, Cost Segregation is a process through which a Certified Analyst appraises a commercial property and adjusts the scheduled depreciation life cycle of non-structural elements, including items like fixtures, plumbing, appliances, roof, hardscape, etc. Since the default tax life on a commercial building is 39 years under standard straight-line depreciation, a Cost Segregation study identifies the myriad components of a property that can instead be placed on 5, 7, or 15-year depreciation terms. And there is an acceleration provision that can increase the depreciation schedule even further which expires at the end of 2019.

This depreciation acceleration often leads to huge tax savings in the early years of a property's life, and allows property owners to retroactively catch up on any savings that result from the depreciation adjustment. Burns has commissioned hundreds of Cost Segregation studies himself and has observed the rule of thumb that typically, around six percent of the value of a building is returned immediately, in the form of tax benefits.

As mentioned above, the entire process is guided by IRS regulations, meaning any CPA should be able to take the results of a Cost Segregation study and safely use it for tax filing purposes. In fact, Cost Segregation should only be performed by experts who are part of the American Society of Cost Segregation Professionals (ASCSP). The ASCSP is the only body in the US that certifies the qualifications of Cost Segregation professionals, and operates in accordance with a fully-fledged Code of Ethics.

While the ASCSP provides a directory of Cost Segregation professionals who are members of the organization, as few as five percent of the roughly 91 million eligible buildings have had a Cost Segregation study performed. By Burns' estimates, that means that there are hundreds of billions of dollars in potential investment capital, operating capital, or charitable donations being left on the table.

About Burn$ Funding

Burn$ Funding is an emerging aggregator of non-traditional tools for securing growth capital. Three of those tools, in particular stand out. First, Burn$ Funding has institutionalized the bridge funding process to help clients reduce credit card debt and obtain a higher credit score. This allows Burn$ Funding clients to secure more capital at remarkably low interest rates, in some cases as low as zero percent for an introductory period of 12-21 months. Second, Burn$ Funding offers a market in shelf corporations, which are business entities that are no longer being used because their assets have been sold, typically through acquisition. However, these corporations are still viable because they have exemplary credit records. While these entities typically range in cost from $5,000 to $10,000, their clean record can help clients secure lines of credit for growth. Third, Burn$ Funding has pioneered the use of Cost Segregation to allow commercial real estate owners to generate capital (in the form of tax savings) based on a little-known IRS allowance. A cost segregation study identifies aspects of a property that can be placed on accelerated depreciation life cycles, typically resulting in huge tax savings for eligible property owners.

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