

Hotel's PIP Strategy

How to use conventional, SBA 7a, SBA 504 or USDA BI loan to reduce taxes

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**PIP Upgrades using conventional,
SBA 7a, SBA 504 Refinance,
or USDA BI Loans**

How PIP cost can use Trump Tax Cuts to lower taxes

Bonus Depreciation

100% depreciation first year 2018 and before 2023

Any property with 20 year useful life

Elevators

Expanding the building

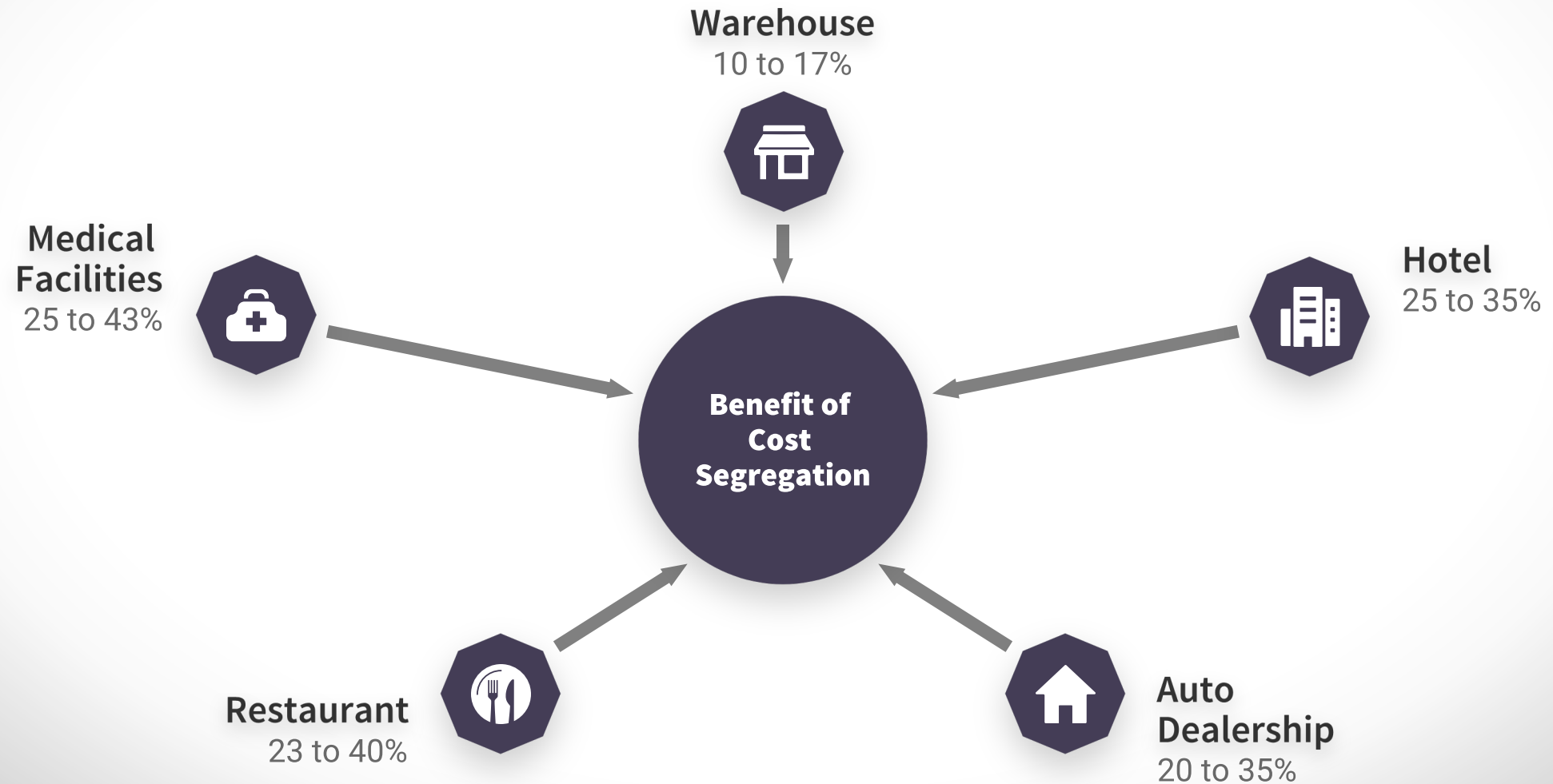
Structure of the building

Section 179 up to \$1MM

Furniture Fixture Equipment

Example: beds, furnitures, roofs, heating ventilations, and air conditional properties, fire protection, alarm and security systems, and others.

Average cost reallocation with Cost Segregation



Hotel's PIP strategy

Income tax reduction strategy

Revenue: \$1,250,000

EBITDA: (33.34%): \$400,080

PIP (25%): \$312,000

Loan

Current Loan: \$2,500,000 - Variable Loan @ 6.25% with quarterly reset

New Loan: \$2,812,000 - Fixed Loan @ 6.25%

New loan may create additional fees*

Benefit: new amortization, possible lower payment, tax reduction benefit, new FFE for hotel, satisfies PIP, and new equipment

Loan available for you



Fixed conventional loan

65% Loan to Value



Fixed SBA loan

75% to 80% Loan to Value



Fixed USDA BI Loan

80% Loan to Value

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