

## 3 Surefire Ways to Fund New Referral-Generating Services To Differentiate Assisted Living Facilities

### Tax Credits for New Hires | Accelerated Depreciation | Property Tax Appeals

Boost after-tax profits & working capital despite growing competition.



Increase referrals & lead-to-tour conversion rates - fund new services like telehealth or rehab & invest in better CRM outreach.

**Hospital referrals** can be increased by offering telehealth and other new services proven to reduce hospital readmissions that penalize hospital reimbursements. Paying for these additional services is the challenge.

Overlooked tax credits and deductions like accelerated building depreciation can help fund these referral-generating services. **Hiring tax credits** for recruiting new hires from underemployed target populations, for example, go largely unclaimed by ALFs that recruit from eligible employee populations.

The biggest of these tax credits – **Work Opportunity Tax Credits (WOTC)** – is a federal tax credit that rewards companies for hiring new employees from several target categories. These include military veterans, empowerment zone residents, long-term unemployed, SNAP (food stamp) recipient families, and several other target populations commonly recruited for assisted living facility positions.

### Reduce Hiring Costs

WOTC tax credits **average \$2,400 and can increase up to \$9,600** and there's no limit on the number of new hires who can qualify the employer for tax savings, substantially reducing hiring costs and freeing capital for other corporate purposes. But individuals must be identified as eligible before a job offer is made, meaning new hires must be screened for eligibility on or **before the date of hire**.

WOTC and similar employer tax credit programs encourage targeted employee recruitment from traditionally underemployed populations. Companies that capture these tax incentives reduce hiring costs and reinvest these savings in employee training, business expansion, new marketing initiatives or other business needs. Other companies choose to fortify their retirement plans and/or simply increase profits.

Too many employers forego these lucrative tax-saving opportunities due to the administrative burden of screening applicants, asking candidates embarrassing personal questions, processing the extensive paperwork and following-up with relevant government agencies.

GMG applied its WOTC expertise to develop an online screening platform to remove the administrative burden for clients while maximizing tax credit eligibility rates. GMG's WOTC screening process keeps candidates' responses to eligibility questions confidential, eliciting more honest and thorough responses. GMG's hiring incentive experts search for other tax credits for which candidates may be eligible.

### And Capture Building & Renovation Tax Savings

Growth Management Group (GMG) has 15 years of successful specialized tax service experience for client companies – most provided on a **"No Savings, No Fee"** basis - that includes...

- **WOTC** and other employer hiring incentives;
- **Cost segregation engineering-based studies** that accelerate depreciation of real property purchase costs and building and renovation costs; and
- **Local property tax reduction** - Many businesses are overpaying their local property taxes due to assessments that fail to reflect actual market valuations.

Keller Williams Commercial chose GMG as its preferred provider nationally.



## Present-Value Savings with Cost Segregation Studies

Each \$100,000 in assets reclassified from a 39-year recovery period to a five-year recovery period results in approximately **\$16,000 in net-present-value savings**, assuming a 5% discount rate and a 35% marginal tax rate (Source: BKD LLP as published in the *Journal of Accountancy*).

By these estimates, a **\$25 million** building and renovation project with a typical 25% of building costs reallocated for accelerated depreciation would produce **\$6.25M in reallocated costs, or \$1,000,000 in net present-value savings**. A high-end 40% of building costs fully reallocated would yield \$10M in accelerated depreciation for an estimated savings of \$1.6M.

The 2016 PATH Act **locked in bonus depreciation** for 5 years, further increasing cost segregation tax savings by increasing the tax deduction for certain categories by 50%.



## Increase Profits and Working Capital

This combination of hiring and property tax savings and GMG’s performance-based lower cost structure optimizes tax savings for greater bottom line benefit that’s easier and faster to achieve than ever before.

An initial call can generate a preliminary idea of your potential dollar benefit from your ongoing expansion and recruitment efforts. If the projected WOTC savings are sufficient, you can activate an account and start screening job candidates immediately for a modest monthly fee, while a quick discovery call can estimate building-related tax savings. We’ll even help you learn of other savings opportunities to which your business may be entitled that you’re currently missing out on.

### Tax-Savings Trio

Clients average **\$240,000** in savings that solves their **cash flow** challenges.

<p><b>Property Tax</b></p> <p>Stop over-paying property taxes on your business.</p> <p>Have a professional market valuation done to appeal your assessment - clients we advocate for paying <b>\$30K+</b> in annual property taxes average <b>15-20% savings</b></p>	<p><b>Income Tax</b></p> <p>Accelerate depreciation of non-structural building &amp; land costs of <b>\$600K+</b> to reduce taxes &amp; improve cash flow with average <b>savings of \$140K</b>.</p> <p>Many clients see refunds for prior years' over-payments for combined <b>six-figure savings</b>.</p>	<p><b>Tax Credits</b></p> <p>WOTC tax credits for hiring eligible new employees average \$2,400/new hire and range <b>up to \$9,600</b>.</p> <p>Other tax credits are available for energy saving initiatives and certain employee activities.</p>
--	---	--

GMG – Your Growth is Our Business

Contact [JLynch@GMGSavings.com](mailto:JLynch@GMGSavings.com)