

Teilen System Walls - Tax Benefits

Save up to 30% more than a traditional build-out.

Teilen System walls are movable and thus, considered furniture. As such, it can utilize a normal 7-year depreciation schedule as opposed to 39 years used for dry-wall and construction used in traditional office build outs. Demountable walls are classified as furniture by the IRS and therefore qualify for accelerated depreciation and fall under asset class 00.11 in office furniture, fixtures and equipment, this is a great contrast against drywall construction that is considered a structural component because they are considered permanent fixtures.

In addition, Teilen System Walls may qualify for 100% first year tax depreciated under Section 179c. For more information, refer to www.Section179.org and confirm with your tax planner to see how this may apply to you. This represents a significant tax advantage over conventional construction.

Tax Benefits of Teilen System Walls

Depreciation is an income tax deduction that allows a business to take an annual allowance for the wear and tear of a property, and this deduction is spread out over the useful life of an item as determined by the IRS.

- Property - Useful Life
- Computers - 5 Years
- Furniture/demountable walls - 7 Years
- Buildings - 39 Years

Traditionally, companies created private offices and conference rooms by constructing drywall. Because drywall is considered a permanent fixture of a building, they are depreciated like a building—over 39 years! This means significantly less depreciation deductions and therefore, higher taxes each year.

Teilen System Walls offers tax-saving alternative. Because our walls are demountable, the IRS treats them as furniture. This means that companies can depreciate Teilen System walls in seven years, allowing for greater depreciation deductions for a more efficient cost savings sooner than a traditional build-out.

Also, Using Teilen System Walls you can easily demount your walls and redesign your space, change layouts and/ or your floor plan without incurring into the messy construction. You will have very little cleaning, less construction cost. Architects and/or engineering are not required. This can easily accommodate your needs as your company grows.

For further guidance on taking advantage of tax benefits, be sure to consult your tax professionals.