



2815 Anderson Ave, Manhattan, Ks 888-235-7976 • fax: 785-539-2249  
email: alierz@newcenturybankna.com • www.newcenturybankna.com

## ◆ FREQUENTLY ASKED QUESTIONS & ANSWERS

### ABOUT LEASING POST FRAME BUILDINGS

#### **Q IS LEASE-PURCHASING OF A POST FRAME BUILDING A COMMON PRACTICE?**

**YES**, more frequently due to recent changes in tax laws, purchasing a Post Frame building with lease financing is the optimal way to save income tax expense for your business.

#### **Q HOW MUCH INCOME TAX EXPENSE WILL I SAVE BY LEASING MY POST FRAME STRUCTURE VS. PAYING CASH?**

Multiply the cost of your Post Frame Building x 93% deduction in 5 years, then times your current income tax bracket % and that is how much tax you will save over 5 years.  
Example:  $(\$75,000 \times 93\%) \times 35\%$  tax rate = \$24,412.50 in income tax savings

#### **Q ARE THERE ANY OTHER ADVANTAGES TO LEASING A POST FRAME BUILDING?**

THE TWO PRIMARY REASON TO LEASE A POST FRAME BUILDING:

1. Because each lease payment is 100% tax deductible, the purchase of a Post Frame Building becomes a tax saving equal to other equipment purchases.
2. Leasing preserves your operating capital and keeps your business finances liquid.

#### **Q WILL I OWN THE POST FRAME BUILDING WHEN THE LEASE IS FINISHED?**

**YES**, The leases have a final payment / purchase option of 15% of the purchase price after the lease period is finished. This purchase option is remaining principal and not an additional finance charge.

#### **Q HOW DO I GET STARTED OR FIND OUT MORE ABOUT LEASING A POST FRAME BUILDING?**

Ask your retailer for an information referral form and they will notify a leasing representative from New Century Bank who will contact you. Or call **785-532-9066** and ask for a leasing specialist.

*\*Every tax situation will merit its own calculation and this information is not intended to give tax advice. New Century Bank recommends you consult with your professional tax advisor whether leasing is recommended for you.*