



# TEAM *Equipment Leasing*

*"Your Partner in Business!"*

## Leasing is a SMART ALTERNATIVE TO CASH!!!

TEAM Equipment Leasing, Inc. has innovated a truly unique lease document that will enable your company to save real tax dollars. It's called a "Rental Agreement".

**Rule:** in order for a lease payment to be tax deductible, the lease cannot have a "bargain purchase option" such as a \$1.00 buy out. If they have a 10% Purchase Option or NO stated purchase option, then it may be an operating expense and 100% tax-deductible.

**Problem:** Leasing companies assume that there is no residual value in certain assets such as Software and Signage; therefore common sense dictates that we write leases with a \$1.00 buy out on these kinds of assets.

**Solution:** TEAM will write the lease using our new "Rental Agreement". The Rental Agreement will have no Purchase Option stated. By doing so, your company can expense your lease payment as an "operating expense". When the lease term is over, TEAM will not pursue the customer for any further "rental payments".

### **Cash Sale**

If a company is paying cash, the company must use LIQUID Cash and convert it to a FIXED Asset. They lose the opportunity cost of tying up cash in their equipment purchase. This is NOT even considering their internal cost of funds.

### **Lease Sale**

TEAM's innovative Tax Lease allows you to expense 100% of each monthly payment. This benefit means real tax savings to your Company.

1. Selling Price \$50,000. Assume Company's tax bracket is 33%.
2. 36 Month Payment = \$1,688 (w/ no purchase option)
3. Tax Savings =  $\$1,688 \times 33\% = \$557.04$  monthly tax savings
4. Net payment =  $\$1,688 - \$557.04 = \$1,130.96$  real cost
5. Net cost of equipment =  $\$1,130.96 \times 36 \text{ months} = \$40,714.56$  for a \$50,000 asset.

For more information about this innovative Program please fax this back to 512-258-2322.

Company: \_\_\_\_\_ Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

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Amount to be Financed: \_\_\_\_\_ Requested Term: \_\_\_\_\_

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