Leasing Services Group

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Lease vs. Loan Comparison

Lease		Loan		
Amount Requested	$ 10,000.00	Amount Requested	$	10,000.00
		Taxes	$	1,500.00
Monthly Payments	$ 321.32	Subtotal	$	11,500.00
Taxes on Payment	$ 48.20	Interest Rate		5%
Total Payment	$ 369.52	Total Payment plus Taxes	$	349.85
Number of Payments	36	Number of Payments		36
Total before Tax Deduction	$ 13,302.65	Total before Tax Deduction	$	12,594.60
Tax Deduction		**Tax Deduction**		
Lease Payments are 100% Tax Deductible		**Based on 20% Stright Line Balance**		
		Interest	$	1,094.60
		Depreciation	$	6,000.00
Total Tax Deduction	$ 13,302.65	Total Tax Deduction	$	7,094.60
Assume 53% Marginal Tax Bracket over Term				
Total Savings on Deductions	$ 7,050.40	Total Savings on Deductions	$	3,760.14
Total Cost	$ 6,252.24	Total Cost	$	8,834.46

Gross After tax Benefit of Leasing	**$**	**2,582.22**
Cost of Purchase Option	**$**	**10.00**
Net Benefit of Leasing	***$***	***2,572.22***

* This analysis is for discussion purposes only. Consult your accountant for details.