

# Leasing Services Group

54 Buttonwood Trail, Unit 1  
Aurora, Ontario L4G 6N3

Irwin Freeman  
Corporate Accounts  
Tel: 905-727-6679  
Toll-Free Phone/Fax: 1-877-751-6027 ext: 2  
Fax: 905-727-3441  
e-mail: sales@leasingservicesgroup.com

## Lease vs. Loan Comparison

<u>Lease</u>		<u>Loan</u>	
Amount Requested	\$ 50,000.00	Amount Requested	\$ 50,000.00
Monthly Payments	\$ 1,606.60	Taxes	\$ 7,500.00
Taxes on Payment	\$ 240.99	Subtotal	\$ 57,500.00
Total Payment	\$ 1,847.59	Interest Rate	5%
Number of Payments	36	Total Payment plus Taxes	\$ 1,749.26
Total before Tax Deduction	\$ 66,513.24	Number of Payments	36
		Total before Tax Deduction	\$ 62,973.36
	<b><u>Tax Deduction</u></b>		<b><u>Tax Deduction</u></b>
	<b><u>Lease Payments are 100% Tax Deductible</u></b>		<b><u>Based on 20% Straight Line Balance</u></b>
		Interest	\$ 5,473.36
		Depreciation	\$ 30,000.00
Total Tax Deduction	\$ 66,513.24	Total Tax Deduction	\$ 35,473.36
<b>Assume 53% Marginal Tax Bracket over Term</b>			
Total Savings on Deductions	\$ 35,252.02	Total Savings on Deductions	\$ 18,800.88
Total Cost	\$ 31,261.22	Total Cost	\$ 44,172.48

**Gross After tax Benefit of Leasing \$ 12,911.26**

**Cost of Purchase Option \$ 10.00**

***Net Benefit of Leasing \$ 12,901.26***

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