

# Leasing Services Group

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## 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
	<u>Tax Deduction</u>		<u>Tax Deduction</u>
	<u>Lease Payments are 100% Tax Deductible</u>		<u>Based on 20% Straight Line Balance</u>
		Interest	\$ 5,473.36
		Depreciation	\$ 30,000.00
Total Tax Deduction	\$ 66,513.24	Total Tax Deduction	\$ 35,473.36

### Assume 53% Marginal Tax Bracket over Term

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.