

# Using Goods for Work or Business? Save on tax with Flexiway...



## Assuming Company with Tax Rate of 30%

Depreciation\* on Outright Purchase of Electrical Goods valued at \$5,000 (Ex GST)

Dep* %		Book Value		Tax Depreciation	Tax Benefit
20%	of	\$ 5,000.00	is	\$ 1,000.00	\$ 300.00
20%	of	\$ 4,000.00	is	\$ 800.00	\$ 240.00
20%	of	\$ 3,200.00	is	\$ 640.00	\$ 192.00
<b>Tax Benefit after 3 years on Outright Purchase</b>					<b>(A) \$ 732.00</b>

Tax Deduction\* on Flexiway of Goods of \$5,000 @ \$207 per mth (Inc GST) - for companies not registered for GST

Year	Monthly Payments		Tax Deduction	Tax Benefit
1	12 x \$207	is	\$ 2,484.00	\$ 745.20
2	12 x \$207	is	\$ 2,484.00	\$ 745.20
3	12 x \$207	is	\$ 2,484.00	\$ 745.20
<b>Tax Benefit after 3 years</b>				<b>(B) \$ 2,235.60</b>
<b>Additional Tax Benefit of Flexiway over Outright Purchase</b>				<b>(B-A) \$1,503.60</b>

Tax Deduction\* on Flexiway of Goods of \$5,000 @ \$188.18 per mth (Ex GST) - for companies registered for GST

Year	Monthly Payments		Tax Deduction	Tax Benefit
1	12 x \$188.18	is	\$ 2,258.18	\$ 677.45
2	12 x \$188.18	is	\$ 2,258.18	\$ 677.45
3	12 x \$188.18	is	\$ 2,258.18	\$ 677.45
<b>Tax Benefit after 3 years</b>				<b>(C) \$2,032.36</b>
<b>Additional Tax Benefit of Flexiway over Outright Purchase</b>				<b>(C-A) \$1,300.36</b>

\*Not tax deductible for personal use. Based on 100% business use at a tax rate of 30%. This example compares the relative after-tax position at the end of three years Flexiway and diminishing value tax depreciation method. It does not account for the remaining write-off value of purchased equipment. This example is for illustrative purposes only and individual circumstances may vary. If in doubt, consult your accountant or tax advisor. Flexirent does not profess to be a tax advisor. Depreciation rates vary from item to item.