

All Your Commercial Equipment Needs  
From Phone Systems to JETS  
\$5,000 to \$\$\$\$\$Millions



## Funding Visions Developing Dreams

Issue: October 2007

### Did You Know?

You're born with 300 bones, but by the time you become an adult, you only have 206. Also, one quarter of all the bones in your body are in your feet.

### Quotes

Everything you can imagine is real.  
*Picasso*  
Whatever the mind can conceive & believe; the mind can achieve.  
*Dr. Napoleon Hill*

## Newsletter

### The JGI Companies

140 Stoneridge Drive, Suite 130, Columbia, SC 29210  
Phone: (803) 731-4847 Fax: (803) 731-5270  
Email: [bbledsoe@jgicompanies.com](mailto:bbledsoe@jgicompanies.com)  
Website: [www.jgicompanies.com](http://www.jgicompanies.com)

### Definitions

#### Equipment Schedule

A document signed by the lessee that becomes a part of the lease agreement. It describes in detail the assets and/or equipment being leased, including model & serial numbers. It may also include the location where the asset will be kept and will match exactly the vendor's invoice. The schedule may be the defining documents in the event of an asset dispute.

WELCOME to the JGI Newsletter. We at JGI value & respect our past, present & future clients, our vendors and their businesses. We want you to be well informed about financing choices and we want your business to grow as a result. We will endeavor to deliver relevant & timely information that will make your job easier. We welcome any suggestions you may have or ideas for topics you are interested in. Always feel free to contact us with any questions. We are here to help you find the best solution for you or your clients and your business.

Jim Jones, President & CEO

Betty M. Bledsoe, Leasing Director

#### \*\*\*\*\* Special Notice \*\*\*\*\*

Please help us in welcoming JGI Companies' newest member to our team. He is **Greg Dalglish** and he comes to us as our Sales & Marketing Director. Greg received his undergraduate degree from the University of Michigan in Economics & then received his MBA in Business Administration from Thunderbird School of International Management which is ranked #1 in the world in global business education. He has a background in marketing and has already shown himself to be a valuable addition to our company. He will be working with both our development & leasing companies.

Need an estimate or quote? Go to [www.jgicompanies.com](http://www.jgicompanies.com) and click on "Equipment Leasing & Funding". There we have a Lease Payment Calculator along with other valuable information. Call with any questions you may have.

### IRS Tax Code 179 – Have you taken full advantage of this tax savings for 2007?

Did you know that your business can deduct up to \$112,000 on qualified equipment in 2007? Under IRS Tax Code, Section 179, a business that spends less than \$430,000 on equipment a year can take advantage of this write off. Business owners who buy capital equipment, usually prefer to deduct the cost in a single tax year, rather than a little at a time over a number of years. The rules are designed for small companies, so that the \$112,000 deduction begins to phase out for businesses that purchase more than the \$430,000 in one year. Your company cannot write off more than its taxable income and the equipment must be installed and placed into service by December 31<sup>st</sup>. Leases that qualify for this are both \$1 Buyout and 10% PUT (Purchase Upon Termination). Types of property that may be eligible for this deduction are machinery & equipment, gasoline storage tanks & pumps, livestock and even off-the-shelf computer software. It must be acquired for use in your business and must be used over 50% for business use.

The Section 179 deduction is not automatic. You take the deduction on IRS Form 4562 and details can be found in IRS Publication 946. Please consult your tax advisor on the specifics for your company or go to IRS website for further information – [www.irs.gov](http://www.irs.gov).

#### Example of Savings

Equipment Cost	\$125,000
Section 179 Deduction	\$112,000 (Maximum amount of deduction for 2007)
Regular 1 <sup>st</sup> Year Depreciation*	\$2,600 (\$125,000 - \$112,000 = \$13,000 X 20%)
Total 1 <sup>st</sup> Year Deduction	\$114,600
Tax Savings @ 35% Rate Bracket	\$40,110 (\$114,600 X 35%)
1 <sup>st</sup> Year Bottom Line Cost	\$74,490

\*Depreciation calculated on 5 years on the amount in excess of \$112,000.

If you do not wish to receive this newsletter, please reply back and type unsubscribe in the subject line.