

Cash Flow on Disposition

Plastic Bottle Maufacturing Division

September 24, 2009 Investit Decisions

650,000

Replace Equipment Analysis Replace Example with Revenue & Expenses

Cash Flow on Disposition (Before Tax)

Salvag	e Value	\$ 1,000,000
Less:	Selling Expenses	-
	Legal Fees	-
	Removal Costs	
Cash Flow on Disposition (Before Tax)		1,000,000

Cash Flow on Disposition (After Tax)

Cash Flow on Disposition (After Tax)

Net Salv	1,000,000		
Less:	Capital Gains Tax Net Salvage Value Less Cost Basis	1,000,000 11,000,000	
	Capital Gains	- x 35.00%	-
Less:	Recaptured Depreciation Tax Tax Value of Investments on Sale Less Adjusted Basis	1,000,000	
	Recaptured Depreciation	1,000,000 x 35.00%	350,000