

ROI for Biovision Arthro+ Suite (2020)

ASSUMPTIONS		
A. Equipment cost*		\$ 27,950
B. Interest rate on loan		6%
C. Average billed/procedure		\$ 2,000
D. Loan term (in months)		60
E. Monthly procedures		2
F. Estimated tax bracket		35%
RESULTS	CALCULATION	
G. Loan payment/month	$B*A/(1-(1+B)^{-D})$	\$ 540
H. Billings/month	$C*E$	\$ 4,000
I. Gross profit/month	$H-G$	\$ 3,460
J. Break-even procedures/month	G/C ; expressed as a whole number	1
K. IRS Section 179 allowance	A; max. of \$1,040,000	\$ 27,950
L. Bonus depreciation	N/A	\$ -
M. 100% bonus depreciation above \$1,000,000	$A-1,000,000$	\$ -
N. Total tax savings in Year 1	$K*F$	\$ 9,783
O. Equipment cost after Year 1 tax savings	$A-N$	\$ 18,168
P. Year 1 cash-on-cash return	$(H*12)/O$	264%

Section 179 provisions effective for U.S. practices for purchases made on or after January 1, 2020

* Equipment cost based on purchase price of Arthro+ Suite from Biovision Veterinary Endoscopy