

ROI for an EDSS Laparoscopy/Endoscopy Suite in Year One

ASSUMPTIONS		
A. Equipment cost*		\$ 41,950
B. Interest rate on loan		6%
C. Average billed/procedure		\$ 500
D. Loan term (in months)		60
E. Monthly procedures		4
F. Estimated tax bracket		35%
RESULTS	CALCULATION	
G. Loan payment/month	$B * A / 1 - (1 + B)^{-D}$	\$ 695
H. Billings/month	$C * E$	\$ 2,000
I. Gross profit/month	$H - G$	\$ 1,305
J. Break-even procedures/month	G / C ; expressed as a whole number	2
K. IRS Section 179 allowance	A; max. of \$1,050,000	\$ 41,950
L. 100% bonus depreciation above \$1,000,000	$A - 1,000,000$	\$ -
M. Total tax savings in Year 1	$K * F$	\$ 14,683
N. Equipment cost after Year 1 tax savings	$A - M$	\$ 27,268
O. Year 1 return on investment	$(I * 12) / N$	57%

Section 179 provisions effective for U.S. practices for purchases made on or after January 1, 2021