

ROI for Biovision EndoDiagnostic + Surgical Suite (Endoscopy/Laparoscopy)

ASSUMPTIONS		
A. Equipment cost		\$ 27,950
B. Interest rate on loan		6%
C. Average billed/procedure		\$ 400
D. Loan term (in months)		60
E. Monthly procedures		4
F. Estimated tax bracket		35%
RESULTS	CALCULATION	
G. Loan payment/month	$B * A / 1 - (1 + B)^{-D}$	\$ 540
H. Billings/month	$C * E$	\$ 1,600
I. Gross profit/month	$H - G$	\$ 1,060
J. Break-even procedures/month	G / C ; expressed as whole number	2
K. IRS Section 179 allowance	$(A; \text{max. of } \$25,000) * F$	\$ 8,750
L. Bonus depreciation	No longer allowed	\$ -
M. Tax benefit of first-year MACRS depreciation above \$25,000	$((A - 25,000) * 0.2) * F$	\$ 207
N. Total tax savings in Year 1	$K + M$	\$ 8,957
O. Equipment cost after Year 1 tax savings	$A - N$	\$ 18,994
P. Year 1 cash-on-cash return	$(H * 12) / O$	101%

IRS Section 179 provisions effective for U.S. practices for purchases made on or after January 1, 2013