

**After Tax Cost Comparison  
Lease vs. Loan**

**Assumptions**

Equipment Cost:	\$100,000.00
Term:	48 months
Monthly Payments	
Loan	\$2,465.00
Lease	\$2,418.00
Tax Benefit	40%

**After Tax Loan Cost**

Loan Total Costs		
2,465 x 48		\$118,320.00
Months =		
Tax Deduction		
Depreciation	\$ 68,760.00	
Interest on	\$ 18,320.00	
Loan	<u>                    </u>	
Total	\$ 87,080.00	
Tax Benefit At 40% Rate		\$(34,832.00)
After Tax Cost of Loan		\$83,488.00

**After Tax Lease Cost**

Lease Total Costs		
2,418 x 48		\$116,064.00
Months =		
Purchase		\$10,000.00
Option		
Total Tax Deductions		<u>\$126,064.00</u>
Tax Benefit @ 40% Rate		<u>\$(50,426.00)</u>
After Tax Cost of Lease		\$75,638.00

Lease Savings	\$7,850.00
---------------	------------

*For a comparison based upon your circumstances, please contact one of CVNB Commercial Loan Officers.*