

METHODOLOGY · 50 STATES ANALYZED · TOP 10 RANKED

The 10 Best States to Cost Seg.

Where cost seg struggles hardest.

In coastal California — SF, LA Westside, Orange County coast — assessors routinely allocate 60–85% of value to land, sometimes as high as 90% (SF). Statewide averages are lower (~40–60%), but the state does not conform to federal bonus depreciation and has a 13.30% top marginal rate. A study still helps at the federal level; it does very little at the state level.

Also difficult: New York (10.90%, NYC often 50%+ land), New Jersey (10.75%, assessor allocations 50%+ common), Hawaii (11.00% + statewide STR rollback).

WHY REPSIE BUILT IN UTAH

Utah lands in the top 10 — and we buy the ground.

Utah's ~30% land share, 4.55% flat state tax (falling to 4.45% in 2026), full bonus-depreciation conformity, and landlord-friendly climate combine to make it one of a handful of states where the numbers work and we can actually execute on the ground: attorney-drafted entity, agent-led acquisition, engineered cost seg — all under one Utah roof.

The top 10, ranked.

● Utah — Repsie's home market

#	STATE	LAND / VALUE	BONUS DEPR.	TOP RATE	SCORE	WHY IT RANKS
1	North Dakota	24–33%	Yes	2.50%	96	Very low land ratios + full conformity + 2.50% rate — but thin transaction data.
2	West Virginia	24–33%	Yes	4.82%	93	Low land share, conforms to federal bonus, moderate rate; light-traffic market.
3	Nebraska	25–34%	Yes	5.20%	91	Low land share and conforms — no anti-STR statewide law.
4	Kansas	25–34%	Yes	5.58%	90	Low land share, full conformity, no anti-STR preemption.
5	South Dakota	25–34%	N/A*	None	89	No income tax + low land share; thin data outside Sioux Falls / Rapid City.
6	Delaware	26–34%	Yes	6.60%	88	Conforms; low land ratio; small market but landlord-friendly.
7	New Mexico	26–35%	Yes	5.90%	88	Conforms; low-to-moderate land ratio; graduated rate.
8	Alaska	24–32%	Partial	None	88	No state income tax + very low land ratios; limited liquidity and remoteness.
9	Colorado	27–36%	Yes	4.40%	87	Full conformity + 4.40% flat; resort-town STR caps in a handful of cities.
10	Utah •	27–36%	Yes	4.55%	87	Attorney + agent on the ground, 4.55% flat (dropping to 4.45%), full conformity — Repsie's home market.

Methodology.

Ranking blends three inputs into a 0–100 composite score: land-to-value ratio (60% weight — inverse; a lower land share is better because more of the purchase basis is depreciable), state conformity to federal bonus depreciation (25% — states that decouple limit your state-level savings), and top marginal state income tax rate (15% — determines how much state tax the accelerated deduction can offset). Land data is cost-seg practitioner aggregates (Modern CFO / freecostseg.com, cross-checked against Lutz, EisnerAmper, Overline); ranges are estimates, not measured averages, and vary heavily by submarket. Conformity per Bloomberg Tax's state conformity chart. Tax rates per Tax Foundation 2025. *States with no state income tax show N/A conformity — bonus depreciation is moot at the state level.

Sources: Modern CFO cost seg by state · Lutz Sales & Investments · EisnerAmper · Overline (Utah) · Bloomberg Tax conformity chart · Tax Foundation 2025 state rates · FHFA / Davis-Larson land price data.