



# Personal Property: What You Need to Know

PRESENTED BY:

WINDSOR LOCKS ASSESSOR'S OFFICE

10/17/2019

# What is Personal Property?

- ▶ Defined (in the most general of terms): anything and everything that is owned (excluding land and anything permanently affixed to the land or any interest in land).
- ▶ There are three Connecticut General Statutes that help to define personal property:
  - Section 12-71
  - Section 12-41
  - Section 12-43

## Section 12-71

- ▶ Section 12-71 defines personal property as....“All goods, chattels and effects or any interest therein, including any interest in a leasehold improvement classified as other than real property.....”
- ▶ Section §12-71 (f) (1) “Property subject to taxation under this chapter shall include each registered and unregistered motor vehicle and snowmobile that, in the normal course of operation, most frequently leaves from and returns to or remains in a town in this state, and any other motor vehicle or snowmobile located in a town in this state, which motor vehicle or snowmobile is not used or is not capable of being used.”  
Notwithstanding (f) (3) “Any motor vehicle owned by a nonresident of this state shall be set in the list of the town where such vehicle in the normal course of operation most frequently leaves from and returns to or in which it remains. ...”



# What are goods, chattels and effects?

- ▶ Goods: Merchandise, wares, etc.
- ▶ Chattels: Any item that is movable or immovable property except real estate; an article of personal property.
- ▶ Effects: Personal estate of property; though the term may include both real and personal property.



## Section 12-41 (c)

- ▶ Section 12-41 (c) lists some specific examples of personal property “... shall include, but is not limited to, the following property: Machinery used in mills and factories, cables, wires, poles, underground mains, conduits, pipes and other fixtures of water, gas, electric and heating companies, leasehold improvements classified as other than real property and furniture and fixtures of stores, offices, hotels, restaurants, taverns, halls, factories and manufacturers...”



## Section 12-43

- ▶ Section 12-43 refers to the “tangible personal property” of non-residents “located in any town for three months or more during the assessment year immediately preceding any assessment day...”



# Who needs to file? What to include?

- ▶ As of October 1:
  - Any business owner or business;
    - All personal property items used (full or part-time) in the conduct of the business including items donated, given to you or owned prior to starting your business,
  - Any farmer;
  - Any owner of an unregistered motor vehicle;
  - Any owner of an out-of-state registered motor vehicle that is operated in Windsor Locks;
  - Any owner of a horse or horses.



## Date to File

- ▶ The Personal Property Declaration must be filed annually on or before **November 1st** (or the Monday following if November 1st falls on Saturday or Sunday) (CGS §12-41).





# How to complete form

- ▶ Not all sections are applicable to every business. Please read the following instructions and complete all relevant sections.
- ▶ Everyone must complete the GENERAL INFORMATION Section on page 3 and then:
  - Complete the Detail Listing of Disposed Assets on page 4 if you disposed of any property between October 2nd, 2018 and October 1st, 2019.
  - All types of businesses, that are not sole proprietors, must complete pages **3 - 8**.
  - Complete the Lessor's Report on page 3 if you have leased, consigned, loaned, or rented equipment to another.
  - Complete the Lessee's Report on page 4 if you have any leased, borrowed, consigned, stored or rented equipment, in your possession.
  - Owners of Non-Connecticut registered motor vehicles, or Non-Registered motor vehicles must complete code #09 on page 5.

# Taxable Property Information

## ► TAXABLE PROPERTY INFORMATION

1. All data reported should be:
  - a. Actual acquisition costs including any additional charges for transportation and installation by year for each type of property described. These costs, less the standard depreciation as shown on the form will determine the net depreciated value.
  - b. Include all assets that may have been fully depreciated, written off, or charged to expense but are still owned. Do not include disposed assets.
2. Reports are to be filed on an assessment year basis of October 1. Acquisitions between October 2 and December 31 apply to the new year. (i.e. acquisition made October 30, 2018 is reported in the year ending October 1, 2019).
3. Computerized filings are acceptable as long as all information is reported in prescribed format.
4. Do not include disposed assets. Disposals are used to reconcile last year's reporting with this year's reporting.

# What value do I use?

- ▶ The original acquisition cost should include any additional charges for transportation and installation.
  - The cost of the asset should be the cost of the item as NEW. This cost should be an arm's length value that has been neither discounted nor determined by an auction sale. When purchasing used equipment, the value that is paid for the item is NOT the original cost
  - If you do not remember or know the item's original cost, look up the current value and put on the appropriate year purchased
- ▶ Include all assets that may have been fully depreciated, written off, or charged to expense but are still owned.
- ▶ Computerized filings are acceptable as long as all the information is reported in this prescribed format.
- ▶ If more space is needed, then attach additional pages to the Declaration.
- ▶ Your cost information is confidential and not open to public inspection.

## 2019 PERSONAL PROPERTY DECLARATION

Commercial and financial information is not open to public inspection

List or Account #: \_\_\_\_\_  
Owner's Name: \_\_\_\_\_  
DBA: \_\_\_\_\_  
Location (street & number) \_\_\_\_\_

Assessment date October 1, 2019  
Required return date November 1, 2019

**BUSINESS DATA** For businesses, occupations, professions, farmers, lessors *Answer all questions 1 through 12, writing N/A on lines that are not applicable.*

**1. Direct questions concerning return to -**

**2. Location of accounting records -**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/Zip \_\_\_\_\_  
Phone / Fax ( ) / ( ) \_\_\_\_\_  
E-mail \_\_\_\_\_

**3. Description of Business** \_\_\_\_\_

**4. How many employees work in your facilities in this town only?** \_\_\_\_\_

**5. Date your business began in this town?** \_\_\_\_\_

**6. How many square feet does your firm occupy at your location(s) in this town?** \_\_\_\_\_ Sq. ft. Own ☐ Lease ☐

**7. Type of ownership:** ☐ Corporation ☐ Partnership ☐ LLC ☐ Sole proprietor ☐ Other-Describe \_\_\_\_\_

**8. Type of business:** ☐ Manufacturer ☐ Wholesale ☐ Service ☐ Profession ☐ Retail/Mercantile ☐ Tradesman ☐ Lessor  
☐ Other-Describe \_\_\_\_\_ IRS Business Activity Code \_\_\_\_\_

**9. In the last 12 months was any of the property included in this declaration located in another Connecticut town for at least 3 months? If yes, identify by specific months, code, cost, and location(s).**

Yes No  
☐ ☐

**10. Are there any other business operations that are operating from your address here in this town? If yes give name and mailing address.**

☐ ☐

**11. Do you own tangible personal property that is leased or consigned to others in this town?**

If yes, complete **Lessor's Listing Report** (below)

☐ ☐

**12. Did you have in your possession on October 1<sup>st</sup> any borrowed, consigned, stored or rented property?**

If yes, complete **Lessee's Listing Report** (page 4)

☐ ☐



## LESSOR'S LISTING REPORT

In order to avoid duplication of assessments related to leased personal property the following must be completed by Lessors: (Please note that property under conditional sales agreements **must** be reported by the lessor.) Computerized filings are acceptable as long as all information is reported in prescribed format.

	Lessee #1	Lessee #2	Lessee #3
Name of Lessee			
Lessee's address			
Physical location of equipment			
Full equipment description			
Is equipment self manufactured?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Acquisition date			
Current commercial list price new			
Has this lease ever been purchased, assumed or assigned?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, specify from whom			
Date of such purchase, etc.			
If original asset cost was changed by this transaction, give details.			
Type of lease	<input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Conditional Sale	<input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Conditional Sale	<input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Conditional Sale
Lease Term – Begin and end dates			
Monthly contract rent			
Monthly maintenance costs if included in monthly payment above			
Is equipment declared on the Lessor's or the Lessee's manufacturing exemption application?	Yes <input type="checkbox"/> No <input type="checkbox"/> Lessor <input type="checkbox"/> Lessee <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> Lessor <input type="checkbox"/> Lessee <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/> Lessor <input type="checkbox"/> Lessee <input type="checkbox"/>



List or Account#: \_\_\_\_\_

Owner's Name: \_\_\_\_\_

Assessment date October 1, 2019

Required return date November 1, 2019

### LESSEE'S LISTING REPORT

Pursuant to Connecticut General Statutes §12-57a all leased, borrowed, consigned, loaned, rented, or stored personal property not owned by you but in your possession as of the assessment date must be included on this form. Failure to declare, in the form and manner as herein prescribed, shall result in the presumption of ownership and subsequent tax liability plus penalties. Property you do not lease that may be in your possession and must be reported includes (but is not limited to) dumpsters, gas/propane tanks, vending machines, water coolers, coffee machines.

Yes ☐ No ☐ Did you dispose of any leased items that were in your possession on October 1, 2018? If yes, enter a description of the property and the date of disposition in the space to the right.

☐ ☐ Did you acquire any of the leased items that were in your possession on October 1, 2018? If yes, indicate previous lessor, item(s) and date(s) acquired in the space to the right.

☐ ☐ Is the cost of any of the equipment listed below declared anywhere else on this declaration? If yes, note year in the 'Year Included' row and list cost in the 'Acquisition Cost' row.

	Lease #1	Lease #2	Lease #3
Name of Lessor			
Lessor's address			
Phone Number			
Lease Number			
Item description / Model #			
Serial #			
Year of manufacture			
Capital Lease	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Lease Term – Beginning/End			
Monthly rent			
Acquisition Cost			
Year Included			



**DISPOSAL, SALE OR TRANSFER OF PROPERTY REPORT**

Disposal, sale or transfer of property – If you disposed of, sold or transferred a portion of the property included in last year's filing, complete the Detailed Listing Of Disposed Assets Report And Reconciliation Of Fixed Assets on page 6. If you no longer own the business noted on the cover sheet you do not need to complete this declaration. You must, however, return to the Assessor this declaration along with the complete AFFIDAVIT OF BUSINESS CLOSING OR MOVE OF BUSINESS OR SALE OF BUSINESS found in this return. DO NOT INCLUDE DISPOSALS IN TAXABLE PROPERTY REPORTING SECTION.

**DETAILED LISTING OF DISPOSED ASSETS** COPY AND ATTACH ADDITIONAL SHEETS IF NEEDED

Date Removed	Code #	Description of Item	Date Acquired	Acquisition Cost

**DETAILED LISTING OF ASSETS ORIG VALUE ≤ \$250** COPY AND ATTACH ADDITIONAL SHEETS IF NEEDED

Pursuant to CGS 12-81(79) – Listing of assets purchased prior to 10/1/09 with an original cost ≤ \$250

Description of Item	Date Acquired	Acquisition Cost

# EXAMPLE

## Example of how to complete the tables on pages 5 and 6

How should the following be declared?

June 2018, you bought a desk for \$800 and a chair for \$200. You have a filing cabinet and printer that you bought 10 years ago for \$2000 that is being used in your business.

See the table to the right for the answer.

#16 - Furniture, fixtures and equipment			
Year Ending	Original cost, transportation & installation	% Good	Depreciated Value
10-1-19		95%	
10-1-18	1000	90%	900
10-1-17		80%	
10-1-16		70%	
10-1-15		60%	
10-1-14		50%	
10-1-13		40%	
Prior Yrs	2000	30%	600
Total	3000	Total	1500

**Assessor's  
Use Only**

#16 | 1500



# Class Codes

## ▶ **Code #9 -- Motor Vehicles**

- Unregistered motor vehicles (e.g. campers, RV's, snowmobiles, trailers, trucks, passenger cars, tractors, off-road construction vehicles, etc.) including any vehicle garaged in Connecticut but registered in another state, or any such vehicle not registered at all. If you are a farmer eligible for the exemption under Sec. 12-91, list tractors in Code 17.

## ▶ **Code #10 -- Manufacturing Machinery and Equipment**

- Use this category to report machinery and equipment not included under Code #13 or Code #15. Include industrial or manufacturing machinery and equipment the owner claims or claimed on a federal income tax return as three-year property (e.g., tools, dies, jigs, patterns, etc.) or ten-year or greater property (i.e., property that has a class life of more than 16 years). Include air and water pollution control equipment, regardless of its class life. (A property tax exemption for this type of equipment is available if the Connecticut Department of Environmental Protection certifies it, but air/water pollution control equipment does not meet the predominant use criteria for exemption under Code #13 or Code #15.) Include all machinery and equipment located in a Distressed Municipality, Enterprise Zone, or Enterprise Corridor Zone (regardless of its class life) for which you are filing Form M-55 to claim the property tax exemption under CGS §12-81(60) or (70).



## Class Codes #2

### ▶ **Code #11 -- Horses or Ponies**

- Horses and ponies. A \$1,000 assessment exemption per animal will be applied. If you are a farmer, the exemption is 100% provided Form M-28 is filed with and approved by the Assessor

### ▶ **Code #12 -- Commercial Fishing Apparatus**

- All fishing apparatus exclusively used by a commercial fisherman in his business (e.g., fishing poles, nets, lobster pots, fish finders, etc.). A \$500 value exemption will be applied.

### ▶ **Code #13 -- Manufacturing Machinery / Equipment**

- Manufacturing machinery and equipment used in manufacturing, used in research or engineering devoted to manufacturing, or used for the significant servicing or overhauling of industrial machinery or factory products.

### ▶ **Code #14 -- Manufactured Homes -- If not currently assessed as real estate.**



# Class Codes #3

## ▶ **Code #16 -- Furniture, Fixtures and Equipment**

- Furniture, fixtures, and equipment of all commercial, industrial, manufacturing, mercantile, trading, and all other businesses, occupations, and professions. Examples: desks, chairs, tables, file cabinets, typewriters, calculators, copy machines, telephones (including mobile telephones), telephone answering machines, facsimile machines, postage meters, cash registers, moveable air conditioners, partitions, shelving display racks, refrigerators, freezers, kitchen equipment, etc.

## ▶ **Code #17 -- Farm Machinery**

- Farm machinery (e.g., tractors, harrows, bush hogs, hay bines, hay rakes, balers, corn choppers, milking machines, milk tanks, coolers, chuck wagons, dozers, back hoes, hydroponic farm equipment, aquaculture equipment, etc.), used in the operation of a farm.

## ▶ **Code #18 -- Farm Tools**

- Farm tools, (e.g., hoses, rakes, pitch forks, shovels, brooms, etc.).

## ▶ **Code #19 -- Mechanics Tools**

- Mechanics tools (e.g., wrenches, air hammers, jacks, sockets, etc.).

# Class Codes #4

## ▶ Code #20 -- EDP Equipment

- Electronic data processing equipment e.g., computers, printers, peripheral computer equipment, and any computer based equipment acting as a computer as defined under Section 168 of the IRS Code of 1986, etc. Bundled software is taxable and must be included.

## ▶ Code #21 -- Telecommunications Equipment

- #21a - Telecommunication Equipment including cables, conduits, antennae, towers, batteries, generators, or any equipment not deemed technologically advanced by the Assessor.
- #21b - Telecommunication equipment including controllers & control frames, relays switching & processing equipment, or any other equipment deemed technologically advanced by the Assessor.



# Class Codes #5

▶ **Code #22 -- Cables, conduits, pipes, poles, etc.**

- Cables, Conduits, Pipes, Poles, Towers if not currently assessed as real estate, underground mains, wires, etc., of gas, heating, energy producing or telephone companies, water and water power companies. Included items annexed to the ground (e.g., hydraulic car lifts, gasoline holding tanks, pumps, truck scales, etc.), as well as property used for the purpose of creating or furnishing a supply of water (e.g., pumping stations).

▶ **Code #23 -- Expensed Supplies**

- The average monthly quantity of supplies normally consumed in the course of business (e.g., stationery, post-it notes, typewriter ribbons, computer disks, computer paper, pens, pencils, rulers, staplers, paper clips, medical and dental supplies, and maintenance supplies, etc.).

▶ **Code #24 -- All Other Goods, Chattels, and Effects**

- Any other taxable personal property not previously mentioned or which does not appear to fit into any of the other categories. (E.g. video tapes, vending machines, pinball games, video games, signs, billboards, coffee makers, water coolers, leasehold improvements other than realty, etc.)

# EXAMPLES

Item	Code	
Answering Machine	16	Equipment
Brief case	16	Equipment
Business cards/invoices/stationery	23	Supplies
Cash register	16	Equipment
Cell phone	16	Equipment
Coffee machine	24a	Other
Computer	20	Computer
Copier	16	Equipment
Desk and desk chair	16	Furniture
Fax machine	16	Equipment
Fencing	24a	Other
Filing cabinet	16	Furniture

Item	Code	
Hand held calculator	16	Equipment
Laptop	20	Computer
Lights	24a	Other
Magnetic Car Door Sign(s)	24a	Other
Overhead Doors	24a	Other
Pens/pencils/paper clips/etc	23	Supplies
Printer	16	Equipment
Refrigerator	16	Equipment
Sign(s)	24a	Other
Specialty equipment	24a	Other
Storage cabinet	16	Furniture
Telephone	16	Equipment



## 2019 PERSONAL PROPERTY DECLARATION – SUMMARY SHEET

Commercial and financial information is not open to public inspection.

List or Account#: \_\_\_\_\_

Owner's Name: \_\_\_\_\_

DBA: \_\_\_\_\_

Mailing address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Location (street & number) \_\_\_\_\_

Assessment date October 1, 2019

Required return date November 1, 2019

**This Personal Property Declaration must be signed  
and delivered or postmarked by  
Friday, November 1, 2019 to  
Assessor of Town  
where property is located**

### ***Property Code and Description***

**#9 Motor Vehicles** UNREGISTERED motor vehicles (e.g. campers, RV's, snowmobiles, trailers, trucks, passenger cars, tractors, off-road construction vehicles, etc.) including any vehicle garaged in Connecticut but registered in another state, or any such vehicle not registered at all. If you are a farmer eligible for the exemption under Sec. 12-91, list tractors in Code 17.

**#10 - Machinery & Equipment** Industrial manufacturing machinery and equipment (e.g., tools, dies, jigs, patterns, etc.). Include air and water pollution control equipment.

**#11 Horses And Ponies** Describe your horses and ponies. A \$1,000 assessment exemption per animal will be applied. If you are a farmer, the exemption may be 100% provided Form M-28 is filed with and approved by the Assessor.

**#12 - Commercial Fishing Apparatus** All fishing apparatus exclusively used by a commercial fisherman in his business (e.g., fishing poles, nets, lobster pots, fish finders, etc.). A \$500 value exemption will be applied.

**#13 -Manufacturing machinery & equipment** Manufacturing machinery and equipment used in manufacturing; used in research or engineering devoted to manufacturing; or used for the significant servicing or overhauling of industrial machinery or factory products and eligible for exemption under CGS 12-81 (76). (Formerly property Codes 13 & 15)

**#14 Mobile Manufactured Homes** if not currently assessed as real estate

**#16 - Furniture & Fixtures** Furniture, fixtures and equipment of all commercial, industrial, manufacturing, mercantile, trading and all other businesses, occupations and professions. Examples: desks, chairs, tables, file cabinets, typewriters, calculators, copy machines, telephones (including mobile telephones), telephone answering machines, facsimile machines, postage meters, cash registers, moveable air conditioners, partitions, shelving display racks, refrigerators, freezers, kitchen equipment, etc.

**#17 - Farm Machinery** Farm machinery (e.g., tractors, harrows, bush hogs, hay bines, hay rakes, balers, corn choppers, milking machines, milk tanks, coolers, chuck wagons, dozers, back hoes, hydroponic farm equipment, aquaculture equipment, etc.), used in the operation of a farm.

**ASSESSOR'S  
USE ONLY**

**Net Depreciated  
Value** pages 5 & 6

**Code**

**ASSESSMENTS**

**#9**

**#10**

**#11**

**#12**

**#13**

**#14**

**#16**

**#17**

<b>#18 - Farming Tools</b> Farm tools, (e.g., hoes, rakes, pitch forks, shovels, hoses, brooms, etc.).		<b>#18</b>
<b>#19 - Mechanics Tools</b> Mechanics tools (e.g., wrenches, air hammers, jacks, sockets, etc.).		<b>#19</b>
<b>#20 - Electronic Data Processing Equipment</b> Electronic data processing equipment (e.g., computers, printers, peripheral computer equipment, and any computer based equipment acting as a computer as defined under Section 168 of the IRS Code of 1986, etc.). Bundled software is taxable and must be included.		<b>#20</b>
<b>#21 - Telecommunications Equipment</b> Excluding furniture, fixtures, and computers, #21a includes cables, conduits, antennae, batteries, generators or any equipment not deemed technologically advanced by the Assessor. #21b includes controllers, control frames, relays switching and processing equipment or other equipment deemed technologically advanced by the Assessor.		<b>#21</b>
<b>#22 - Cables, conduits, pipes, poles, towers</b> (if not currently assessed as real estate), <b>underground mains, wires, turbines, etc.</b> , of gas, heating, or energy producing companies, telephone companies, water and water power companies. Include items annexed to the ground (e.g., hydraulic car lifts, gasoline holding tanks, pumps, truck scales, etc.), as well as property used for the purpose of creating or furnishing a supply of water (e.g., pumping stations).		<b>#22</b>
<b>#23 - Expensed Supplies</b> The average monthly quantity of supplies normally consumed in the course of business (e.g., stationery, post-it notes, toner, computer disks, computer paper, pens, pencils, rulers, staplers, paper clips, medical and dental supplies and maintenance supplies, etc.).		<b>#23</b>
<b>#24 - Other All Other Goods, Chattels and Effects</b> Any other taxable personal property not previously mentioned or which does not appear to fit into any of the other categories. (e.g. video tapes, vending machines, pinball games, video games, signs, billboards, coffee makers, water coolers, <b>leasehold improvements</b> ).		<b>#24</b>
<b>Total Assessment – all codes #9 through #24</b>	<b>Subtotal &gt;</b>	
<b>#25 - Penalty</b> for failure to file as required by statute – 25% of assessment		<b>#25</b>
<b>Exemption</b> - Check box adjacent to the exemption you are claiming: <input type="checkbox"/> <b>I</b> – Mechanic's Tools - \$500 value <input type="checkbox"/> <b>M</b> – Commercial Fishing Apparatus - \$500 value <input type="checkbox"/> <b>I</b> – Farming Tools - \$500 value <input type="checkbox"/> <b>I</b> – Horses/ponies \$1000 assessment per animal		
All of the following exemptions require a separate application and/or certificate to be filed with the Assessor by the required return date <input type="checkbox"/> <b>J</b> – Water Pollution or Air Pollution control equipment – Connecticut DEEP certificate required – provide copy <input type="checkbox"/> <b>I</b> – Farm Machinery \$100,000 assessment - Exemption application M-28 required annually <input type="checkbox"/> <b>G &amp; H</b> – Distressed Municipality/Enterprise Zone/Enterprise Corridor Zone - Exemption application M-55 required annually <input type="checkbox"/> <b>U</b> – Manufacturing Machinery & Equipment - Exemption claim required annually		
<b>Total Net Assessment</b>	<b>Assessor's Final Assessment Total &gt;</b>	



# How taxes are calculated

- ▶ The original acquisition cost minus the standard depreciation will determine the depreciated cost.
- ▶ The total depreciated cost times 70% will determine the gross assessment for that particular category of personal property.
- ▶ The assessment times the mill rate will generate the tax bill

Ex. \$10,000 cost X 90% Good = \$9,000 depreciated value

\$9,000 X 70% = \$6,300 assessment

\$6,300 X .02583 (25.83 mills 2018) = \$162.73 taxes



# Long Life Assets

- ▶ Code 22: Cables, conduits, pipes, poles, towers (if not currently assessed as real estate), underground mains, wires, turbines, etc., of gas, heating, or energy producing companies, telephone companies, water and water power companies. Include items annexed to the ground (e.g., hydraulic car lifts, gasoline holding tanks, pumps, truck scales, etc.), as well as property used for the purpose of creating or furnishing a supply of water (e.g., pumping stations).
  - Tanks
  - Pipes
  - Energy Plants
  - Cooling Towers



## Sec. 12-63. Depreciation rules for machinery and equipment

- ▶ **Sec. 12-63. Rule of valuation. Optional depreciation schedules. Depreciation rules for machinery and equipment**
- ▶ If such property is purchased, its true and actual value shall be established in relation to the cost of its acquisition, including transportation and installation, and shall reflect depreciation in accordance with the schedules set forth in subdivisions (3) to (6), inclusive, of this subsection. If such property is developed and produced by the owner of such property for a purpose other than wholesale or retail sale or lease, its true and actual value shall be established in relation to its cost of development, production and installation and shall reflect depreciation in accordance with the schedules provided in subdivisions (3) to (6), inclusive, of this subsection. The provisions of this subsection shall not apply to property owned by a public service company, as defined in section 16-1.

# USPAP Hotel PP Standards

## ► Uniform **Standards** of Professional Appraisal Practice (**USPAP**)

- 1-2(e) (ii) the real property interest to be valued; (iii) any personal property, trade fixtures, or intangible items that are not real property but are included in the appraisal;
- 1-4(g) when personal property, trade fixtures, or intangible items are included in the appraisal, the appraiser must analyze the effect on value of such non-real property items.
- Describe information sufficient to identify the real estate or personal property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment;
- Summarize information sufficient to identify the real estate or personal property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment;
- State the use of the property existing as of the date of value and the use of the real estate or personal property reflected in the appraisal; and, when an opinion of highest and best use or the appropriate market or market level was developed by the appraiser, summarize the support and rationale for that opinion;



# IAAO Standard of Valuation

## ▶ 7.2.2 Sales Comparison Approach

- ▶ The sales comparison approach may have limited application for appraising machinery and equipment used in business because sales of used items are generally few and are often liquidation sales, which typically are not at market value, or are bulk asset purchases. In such circumstances, list prices including delivery costs and sales taxes, when supported by the marketplace, can be good indicators of value. Used assets acquired in bulk purchases may have been sold in an arm's-length transaction so market data may be evident. The value of an individual item to the entire sale price (purchase price allocation) may be available in the buyer's records. Care must be taken to assure that the property is valued at the proper level of trade. Trade and cash discounts should be subtracted from the list prices, particularly if the equipment sold is still at the wholesale level of trade. If reliable sales data are available, the adjustment process can be applied in the same manner as for real property. If an adjustment for time of sale is made, the adjustment may be negative due to additional accrued depreciation of the property or positive due to inflation.

# Penalties – Omissions / Late Filing

## ► Penalty of 25% is Applied –

- When no declaration is filed or a declaration is not signed, a 25% penalty is applied to the assessment. [See 2. under Filing Requirements.]
- When declarations are submitted after November 1 [See 1. under Filing Requirements] and an extension has NOT been granted (see Extensions) a 25% penalty is applied to the assessment. Returns mailed in must have a postmark (as defined in C.G.S. Sec 1-2a) of November 1 [See 1. under Filing Requirements.] or before.
- When an extension is granted (see Extensions) and the declaration is not filed by the extension deadline, a 25% penalty is applied to the assessment.
- When omitted property is discovered, the 25% penalty is applied to the difference in the assessed value as determined by the results of the discovery and the assessment as determined by the originally filed declaration.



# Exemptions

- ▶ On page 7, check the box adjacent to the exemption you are claiming.
- ▶ Note that several exemptions require an additional application in order to receive that exemption. Please request the form number noted from the Assessor's Office. The Manufacturers Machinery & Equipment Exemption Claim form & its itemized lists for Code 13 property may be requested if not included with this declaration.
- ▶ The extension to file the Personal Property Declaration, if granted, may not apply to all required exemption applications and may require a late filing fee. Check with the Assessor.





# Signature REQUIRED

- ▶ The owners shall sign the declaration.
- ▶ The owner's agent may sign the declaration. In which case the declaration must be duly sworn to or notarized.
- ▶ Corporate officers signing for their corporations must have the returns properly sworn to or notarized, or provide the Assessor with a statement bearing the corporate seal and signed by the corporate secretary setting out the office held by the signer of the declaration and dates office held.





# Audit

- ▶ The Assessor is authorized to audit declarations, within 3 years of the date of the required filing. Substantial penalties are applicable if such an audit reveals property not declared as required by law (CGS §12-53).

# COMPREHENSIVE ON-SITE AUDITS

Comprehensive audits may require examination of the following taxpayer records:

- Chart of accounts
- Corporate trial balance
- Schedule L from the Federal Income Tax returns.
- The detailed Depreciation and/or Fixed asset schedules
- A detailed listing of fixed assets recorded as Leasehold or Building Improvements, along with supporting documentation for any items which the company claims to be included as realty
- A listing of all leased equipment along with copies of the lease agreements
- Complete listing of registered vehicles by make, model and license plate number
- General Ledger, cash disbursement or federal tax detail sufficient to demonstrate annual supplies

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# AUDIT PROCEDURES

- Recommended Communication with the Taxpayer
  - Introduction letter (non applicable if audit is being performed by jurisdiction)
  - Appointment Confirmation Letter
  - Position Letter (internal approval letter if 3<sup>rd</sup> party agent of assessor)
  - Compliance or Non-Compliance Letter

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# AUDIT PROCEDURES

## AUDIT FOLLOW UP:

If the taxpayer does not concur with the audit findings, the auditor should:

- 01** Review any claim or documentation the taxpayer provides to support a change
- 02** Re-visit the accounting records to verify additional data

If the audit findings need to be adjusted, revised compliance or non-compliance letter should be sent to taxpayer.

# ABC STORE, LLC – AUDIT REVIEW

## ➤ Reconciliation of Trial Balance to Fixed Asset Report

Account	Description	9/30/2018
1003080	REAL ESTATE IMPROV - LEASED STORES	\$10,366,397
1004000	EQUIPMENT-AT STORES	\$11,257
1004010	F/A - GAS STATION EQUIPMENT	\$251,593
1004800	EQUIPMENT-AT STORES	\$2,492,106
1004090	COMPUTER HARDWARE EQUIPMENT	\$ 650,009
1004095	SOFTWARE – STORE	\$22,671
1004100	REFRIGERATED EQUIPMENT	\$1,531,303
1005080	OTHER DEPRECIABLE ASSETS-AT STORES	\$86,784
	Total	\$15,412,121
	Fixed Asset Listing	\$15,412,121

# ABC STORE, LLC – AUDIT REVIEW

- Fixed asset details is determined to be complete.
- Next audit step is the classification of assets into the Codes of Personal Property Declaration.
- Assets noted as possible incorrect classification:
  - Self Scan System, Point of Sale System
  - ESL – Electronic Shelf Label System
  - Canopy and Light Poles
  - Additional inquiries about Leasehold Improvements

# CASE 1 – SITE VISIT

- Corporate office of a large national company
- During the site tour we are shown the Server Room



“Server Room”



# CASE 1 – SITE VISIT

- The asset list under the **building** section shows the following:

Cost	Acquisition Date	Description
\$100,000	02/15/2016	Flooring
\$150,000	02/15/2016	HVAC
\$120,000	02/15/2016	Electrical UPS

- Accountants who file see “Flooring”, “HVAC”, and “Electrical” likely assume real estate when reporting
- In a book review these terms may not stand out





# CASE 1 – SITE VISIT

## IDENTIFIED BY THE AUDIT INSPECTION

- Raised flooring
- Specialized HVAC
- Equipment specific upgrades
- Red tanks



These items, although booked properly, can easily go unnoticed when filing and when only doing a book review type audit.

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# CASE 2 – SUPPLIES & EXPENSED ASSETS

## Case of a Manufacturer

- Very cooperative taxpayer
  - Provided all documents timely
  - Eager to comply and expressed intent to file accurately
- Asset list and reported assets matched exactly
- Supply totals from year end trial balances reported only included office supply accounts

## CASE 2 – SUPPLIES & EXPENSED ASSETS

- Requested site tour and connected with the plant manager
- Plant managers are always proud and eager to show “their” facility
- During the tour we came across an area called the Tool Crib



“Tool Crib”

## CASE 2 – SUPPLIES & EXPENSED ASSETS

➤ The facilities manager that provided the tour gave us an overview of all the consumables used in production:

- Drill bits
- Oils
- Belts
- Sanders
- Product shipping supplies
- Safety supplies
- Expensed assets

## CASE 2 – SUPPLIES & EXPENSED ASSETS

Based on the site tour the identified accounts were :

Shop & safety supplies	= \$100,000
Perishable tooling	= \$300,000
Packaging & shipping supplies	= \$50,000
Expensed assets	= \$30,000
Cleaning supplies	= \$30,000
<b>Total</b>	<b>= \$510,000</b>
<b>Estimated Monthly Supplies</b>	<b>= \$83,000</b>
<b>Reported Office Supplies</b>	<b>= \$17,000</b>
<b>Total Monthly Supplies</b>	<b>= \$100,000</b>

## CASE 2 – SUPPLIES & EXPENSED ASSETS

Year	Actual	Reported	Variance
2017	100,000	17,000	83,000
2016	100,000	17,000	83,000
2015	100,000	17,000	83,000
		<b>TOTAL</b>	<b>\$249,000</b>



## CASE 3 – IT'S JUST BUSINESS

A large company purchases hundreds of assets per month

- For reporting, they get a quarter end system report of assets and report exactly all of those assets

### 2017 Return

Year	Cost
2017	300,000
2016	300,000
2015	250,000
2014	200,000

### 2016 Return

Year	Cost
2016	270,000
2015	250,000
2014	200,000

### 2015 Return

Year	Cost
2015	210,000
2014	200,000

## CASE 3 – IT'S JUST BUSINESS

### 2017 Return

Year	Cost
2017	300,000
2016	300,000
2015	250,000
2014	200,000

### 2016 Return

Year	Cost
2016	270,000
2015	250,000
2014	200,000

### 2015 Return

Year	Cost
2015	210,000
2014	200,000

## CASE 3 – IT'S JUST BUSINESS

- Upon review it was clear that assets purchased in August and September of the most recent year were not being reported, nor were they showing up on the system report used for filing
- When asked, the taxpayer stated that they were aware of the issue and that it was common for there to be a delay between purchasing an asset and entering the transaction into the accounting system

## CASE 4 – SITUS

A multi-location retailer with sites in most major cities throughout the United States

- While touring multiple retail locations in one Jurisdiction, I noticed each location had a room with a computer server rack
- When reviewing the financial asset detail for all retail locations under audit, the only potential computer related descriptions were labeled “point of sale system”

## CASE 4 – SITUS

- When questioned, the taxpayer stated “Oh those assets are purchased by IT at the regional corporate office”
- The IT department purchased the servers and had them shipped to their office to be setup and subsequently sent to the retail location
- Accounting tagged the location as the corporate office where the purchase was delivered

The proper situs of the equipment is the retail location and not the corporate location even though the financials suggest otherwise.



## Filing for an Extension

- ▶ The Assessor may grant a filing extension for good cause (CGS §12-42 & 12-81K). If a request for an extension is needed, you need to request the filing extension in writing on or before **November 1** (PA 19-200). The decision to grant an extension is the sole responsibility of the Assessor. There is no appeal.





# Appeal

- ▶ A prescribed appeal form must be filed in order to appear before the Board of Assessment Appeals (C.G.S. 12-111). These forms will be available February 1<sup>st</sup> - 20<sup>th</sup> (unless Grand List extended) in the Assessor's Office. Complete all sections of the Appeal Form as indicated.
- ▶ The Board of Assessment Appeals will meet in March (unless Grand List extended).
- ▶ You will receive notification of your appointment by mail.
- ▶ Please bring copies of any documentation that you want to submit to the Board of Assessment Appeals as they will not make copies for you. Either you or your agent must appear before the Board of Assessment Appeals and be sworn to answer all questions regarding this appeal. Failure to do so shall waive your rights to this appeal. If someone is coming in as your agent, a completed Affidavit for Agent must either be attached to the Appeal Form or presented at the time of your appointment. Forms for "Affidavit for Agent" are available in the Assessor's Office.
- ▶ In April (unless Grand List extended), the Board of Assessment Appeals will notify you by mail of its decision. If you are not satisfied with the Board's decision, you may (within two months of the date of mailing of that decision) file an appeal with the Superior Court (C.G.S. 12-117a). If filing with the Superior Court, it is recommended that you have legal counsel.



# Sales Tax clarification

- ▶ There has been a recent question of whether or not sales tax should be included on personal property declarations.
- ▶ Sales taxes are not explicitly excluded in Connecticut General Statutes and it is assumed that they should be declared on personal property declarations.
- ▶ In addition, if the full cost of an asset includes the sales tax and that value is used in its full benefit for expense or depreciation write off on a federal level, then again it's assumed that sales tax should be declared to towns.

# EXAMPLES - CAVS

The header features a dark red horizontal band with a wavy bottom edge. On the right side of this band, there is a large yellow circle, a smaller yellow rectangle, and a light blue semi-circle. The background of the slide is white with faint, light gray wavy lines.

## CAVS Business Estimate

Business Type	NAICS Code	Account Number	Estimate Year
Convenience Store w/gas pumps (Small)	447110		2017

### Business Information

Business Name: CONVENIENCE & GAS  
Address:  
City:  
State: Connecticut  
Zipcode:  
Contact Name:  
Email:  
Phone:  
Map/Parcel #:  
Started On:

**Windsor Locks**  
50 Church Street  
Windsor Locks, Connecticut, 06096  
**Phone:** 860-627-1448

### ESTIMATE DETAILS

EQUIPMENT	COST
Audio Equipment	\$3,600.00
Cash Register	\$672.00
Computer Equipment	\$5,760.00
Cooler	\$19,200.00
Copier & Fax	\$512.00
Counters	\$4,800.00
Credit Card Terminal	\$784.00
Decor	\$1,920.00
Displays	\$8,000.00
Freezer	\$13,760.00

EQUIPMENT	COST
Furniture & Fixtures	\$1,200.00
Gas Pumps	\$44,800.00
Ice Machine	\$4,800.00
Lighting	\$3,192.00
Microwave	\$800.00
Misc Equipment	\$9,600.00
Office Supplies	\$480.00
Phone System	\$1,200.00
Racks & Shelving	\$20,000.00
Safe	\$1,824.00
Scanners	\$800.00
Security System	\$10,400.00
Shopping Carts	\$1,600.00
Sign	\$3,200.00
Subtotal	\$162,904.00
Adjustment Factor	0%
<b>TOTAL</b>	<b>\$162,904.00</b>

**NOTES**

CONVENIENCE & GAS

**FOR OFFICE USE ONLY**

Date: 5:49PM 03/26/2018 Assessor: Windsor Locks

Phone: 860-627-1448

# CAVS Business Estimate

Business Type	NAICS Code	Account Number	Estimate Year
General Contractor	236115		2017

## Business Information

Business Name: GENERAL CONTRACTOR  
Address:  
City:  
State: Connecticut  
Zipcode:  
Contact Name:  
Email:  
Phone:  
Map/Parcel #:  
Started On:

**Windsor Locks**  
50 Church Street  
Windsor Locks, Connecticut, 06096  
**Phone:** 860-627-1448

## ESTIMATE DETAILS

EQUIPMENT	COST
Air Compressor	\$3,667.00
Camera	\$1,125.00
Computer Equipment	\$10,800.00
Copier & Fax	\$960.00
Credit Card Terminal	\$367.00
Drills	\$1,530.00
Filing Cabinets	\$3,780.00
Furniture & Fixtures	\$7,500.00
Generator	\$3,390.00
Hand Tools	\$7,500.00



Ladder Racks	\$6,570.00
Ladders	\$1,920.00
Microwave	\$337.00
Phone System	\$1,125.00
Refrigerator	\$450.00
Safety Equipment	\$1,800.00
Saws	\$5,445.00
Scaffolding	\$5,880.00
Security System	\$3,900.00
Supplies	\$900.00
Tool Box	\$2,940.00
Tools	\$4,500.00
Trailer	\$9,240.00
Trencher	\$7,500.00
Two Way Radios	\$1,200.00
Subtotal	\$94,326.00
Adjustment Factor	0%
<b>TOTAL</b>	<b>\$94,326.00</b>

**NOTES**

**GENERAL CONTRACTOR**

**FOR OFFICE USE ONLY**

Date: 10:41AM 03/08/2018 Assessor: Windsor Locks

Phone: 860-627-1448

# CAVS Business Estimate

Business Type	NAICS Code	Account Number	Estimate Year
Hotel & Motel	721110		2018

## Business Information

Business Name: HOTEL  
Address:  
City:  
State: Connecticut  
Zipcode:  
Contact Name:  
Email:  
Phone:  
Map/Parcel #:  
Started On:

**Windsor Locks**  
50 Church Street  
Windsor Locks, Connecticut, 06096  
Phone: 860-627-1448

## ESTIMATE DETAILS

EQUIPMENT	COST
Cash Register	\$600.00
Computer Equipment	\$19,285.00
Copier & Fax	\$1,371.00
Counters	\$1,771.00
Credit Card Terminal	\$700.00
Decor	\$4,285.00
Furniture & Fixtures	\$480,000.00
Microwave	\$3,214.00
Misc Equipment	\$10,714.00
Office Supplies	\$571.00
Phone System	\$3,000.00

Refrigerator	\$7,142.00
Security System	\$5,571.00
Sign	\$4,142.00
Supplies	\$50,000.00
Washer & Dryer	\$10,714.00
Subtotal	\$603,080.00
Adjustment Factor	0%
<b>TOTAL</b>	<b>\$603,080.00</b>

**NOTES**

**HOTEL**

**FOR OFFICE USE ONLY**

Date: 5:11PM 03/15/2018 Assessor: Windsor Locks

Phone: 860-627-1448

# CAVS Business Estimate

Business Type	NAICS Code	Account Number	Estimate Year
Landscaping (Home Based)	561730		2017

## Business Information

Business Name: LANDSCAPE & PLOWING  
Address:  
City:  
State: Connecticut  
Zipcode:  
Contact Name:  
Email:  
Phone:  
Map/Parcel #:  
Started On:

**Windsor Locks**  
50 Church Street  
Windsor Locks, Connecticut, 06096  
**Phone:** 860-627-1448

## ESTIMATE DETAILS

EQUIPMENT	COST
Aerator	\$1,200.00
Computer Equipment	\$2,700.00
Copier & Fax	\$960.00
Edger	\$1,260.00
Furniture & Fixtures	\$750.00
Lawn Tools	\$1,500.00
Lawn Trimmers	\$1,350.00
Misc Equipment	\$12,000.00
Mower	\$15,000.00



Phone System		\$450.00
Supplies		\$600.00
Trailer		\$9,300.00
PLOWS		\$9,000.00
Subtotal		\$56,070.00
Adjustment Factor		0%
TOTAL		\$56,070.00

NOTES

LANDSCAPE & PLOWING

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Date: 10:11AM 07/25/2018 Assessor: Windsor Locks

Phone: 860-627-1448

# CAVS Business Estimate

Business Type	NAICS Code	Account Number	Estimate Year
Beverage Store	445310		2015

## Business Information

Business Name: package store  
Address:  
City:  
State: Connecticut  
Zipcode:  
Contact Name:  
Email:  
Phone:  
Map/Parcel #:  
Started On:

**Windsor Locks**  
50 Church Street  
Windsor Locks, Connecticut, 06096  
**Phone:** 860-627-1448

## ESTIMATE DETAILS

EQUIPMENT	COST
Audio Equipment	\$1,200.00
Cash Register	\$600.00
Computer Equipment	\$3,600.00
Cooler	\$24,000.00
Copier & Fax	\$300.00
Credit Card Terminal	\$300.00
Decor	\$1,500.00





Displays	\$5,000.00
Furniture & Fixtures	\$750.00
Lighting	\$1,800.00
Office Supplies	\$300.00
Phone System	\$750.00
Racks & Shelving	\$10,000.00
Refrigerator	\$500.00
Safe	\$1,000.00
Scanners	\$650.00
Security System	\$6,000.00
Shopping Carts	\$2,000.00
Sign	\$1,000.00
TV	\$1,000.00
Subtotal	\$62,250.00

package store

# CAVS Business Estimate

Business Type	NAICS Code	Account Number	Estimate Year
Insurance Office	524210		2017

## Business Information

Business Name: insurance agency  
Address:  
City:  
State: Connecticut  
Zipcode:  
Contact Name:  
Email:  
Phone:  
Map/Parcel #:  
Started On:

**Windsor Locks**  
50 Church Street  
Windsor Locks, Connecticut, 06096  
**Phone:** 860-627-1448

## ESTIMATE DETAILS

EQUIPMENT	COST
Artwork	\$3,000.00
Audio Equipment	\$2,250.00
Computer Equipment	\$18,000.00
Copier & Fax	\$1,600.00
Displays	\$2,000.00
Filing Cabinets	\$4,725.00
Furniture & Fixtures	\$27,000.00
Lighting	\$3,325.00
Microwave	\$225.00
Office Supplies	\$900.00



Phone System	\$900.00
Refrigerator	\$300.00
Security System	\$2,600.00
Sign	\$2,320.00
TV	\$1,020.00
Subtotal	\$70,165.00
Adjustment Factor	0%
<b>TOTAL</b>	<b>\$70,165.00</b>

**NOTES**

insurance agency

**FOR OFFICE USE ONLY**

Date: 9:53AM 05/23/2018 Assessor: Windsor Locks

Phone: 860-627-1448