

Questions Most Frequently Asked About Personal Property

Question: What is Personal Property?

Answer: Personal property is everything other than real estate that has value by itself. It would include things such as furniture, fixtures, computer equipment, tools, machinery, non-registered motor vehicles, mobile storage buildings, signs, leasehold improvements, video tapes, vending machines, leased equipment and any other equipment used in a business or to earn income. Personal property such as residential furnishings, clothing and jewelry is not taxable.

Question: Who must file?

Answer: Anyone in possession of assets on October 1 or having had assets in Groton for three months prior to October 1 who has either a proprietorship, partnership, corporation or is a self-employed agent or contractor, must file each year. Property owners who lease, loan, or rent property must also file.

Question: Why must I file a personal property declaration?

Answer: Connecticut Statute 12-71 requires that all personal property be reported each year to the Assessor's Office. If you receive a declaration, it is because our office has determined that you may have property to report. If you feel the form is not applicable, return it with an explanation. Either way, the declaration **MUST** be returned. Failure to receive a personal property declaration does not relieve you of your obligation to file.

Question: How can I obtain this form?

Answer: In September of each year a personal property declaration is mailed to each business owner. If you do not receive this form, contact the Assessor's Office at (860) 441-6660.

Question: What if I receive more than one personal property declaration?

Answer: All declarations must be returned to the Assessor. If you have more than one location, the assets of each should be listed separately on each return.

Question: What if I have old equipment that has been fully depreciated and written off the books?

Answer: Whether fully depreciated in your accounting records or not, all property still in use or in your possession must be reported.

Question: Do I have to report assets that I lease, loan, rent, borrow or are provided in the rent?

Answer: Yes. There is a form entitled "Lessee's Report of Personal Property" (M-61) that is attached to your personal property declaration specifically for those assets. Even though the assets are assessed to the owner, they must be listed on this form for informational purposes. Be sure to include the full name and address of the lessor.

Question: Is there a filing deadline?

Answer: Yes. The deadline for filing a timely declaration is November 1. There is a 25% assessment penalty for failure to file a personal property declaration by that date.

Question: What if I buy or sell an existing business during the year – who is responsible for the taxes?

Answer: There is no provision in the Connecticut Statutes for proration or personal property. Personal property is assessed to the owner of record on October 1st of each year. In other words, if you sell your business on January 15 you would be responsible for the tax bill that comes out in July of that year. It is our suggestion that this issue be resolved between buyer and seller prior to the purchase or sale of a business. We also suggest that you check with the Tax Collector if you plan to purchase an existing business to make sure that the taxes are current.

Question: What if I don't file my declaration?

Answer: When a declaration is not filed by November 1st, this office is required to place an assessment on the property. This assessment represents an estimate based on the value of businesses with similar equipment and assets. Being assessed does not alleviate your responsibility to file an accurate declaration. You will also be penalized 25% for failure to file.

Question: If I am no longer in business, should I still file the declaration?

Answer: If you receive a personal property declaration and were not in business on the assessment date of October 1st or the three months prior to October 1st, follow this procedure:

- ✓ On your return, indicate the date you went out of business and the manner in which you disposed of your business assets. Remember, if you still have the assets, you must file a declaration for them.
- ✓ Sign and date the form. Mail the declaration back to the Assessor's Office.

HELPFUL HINTS AND SUGGESTIONS

please feel free to call our office at (860) 441-6660
for assistance.

- File the original declaration with this office (with pre-printed label), as soon as possible before November 1. Be sure to sign and date your return.
- Work with your accountant to identify any equipment that may have been physically removed. List those items in the appropriate space on your declaration.
- If you have an asset listing or depreciation schedule that identifies each piece of equipment, attach it to your completed declaration.
- **DO NOT USE** vague terms such as “various” or “same as last year.” Your declaration will not be accepted.
- It is beneficial to complete the confidential report to take advantage of depreciation for different classes of property.
- Please indicate your estimate of fair market value and the original cost of each item on your declaration. They are important considerations in determining an accurate assessment.
- If you sell your business, go out of business, or move to a new location, please inform our office. It will enable us to keep timely, accurate records.

This pamphlet answers some common questions taxpayers have concerning personal property and provides information that will help you file an accurate personal property declaration. If you should have any questions regarding personal property or need help in filing your declaration,

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