

property **T**axfacts

News and Views Published by Ennes & Associates, Inc.

December, 2006

Jingle Bell Jingle Bell Jingle Bell Rock
Hope Santa leaves a lot of good stuff in your
sock!



We wish you a wonderful Holiday Season
Your continued friendship and support is the
Reason!



We pledge to keep working night and day
To keep your 2007 property taxes at Bay!!

So party and celebrate and forever be Merry
From Carl, Jay, Letty, Jess, Stac, Mary and
Terry!!

*So, you think you want to be
a snow bird?*

As if the hurricanes aren't enough to give you second thoughts of heading south for the winter, along come the Iguanas!! Yes that's right...the Mexican spiny-tailed species to be exact!

The barrier island of Boca Grande is being overrun by them. More than 10,000 iguanas are destroying the native habitat thus making the island more vulnerable to hurricane damage. In addition, they are burrowing into the sand dunes

that make up the infrastructure of the island thus jeopardizing its very existence.

What's to be done? Raise taxes, of course!! Residents are thinking of expanding the *streetlighting municipal services taxing unit* into the *streetlighting and invasive exotic animal species control taxing unit*. If the extra funds don't work maybe they can hire the grizzled old sailor who eliminated Jaws for the task!

Personal Ad

Wanted—Attractive fixed asset individual with understanding of the various relevant state rules and regs to examine year end accounting information with an eye for savings. Must have property tax compliance mind set, be deadline sensitive and willing to work with local taxing authorities. Will file pertinent personal property renditions in a way as to maximize tax savings yet avoid costly and embarrassing discoveries upon audit. Will help maintain rep as a good corporate citizen.

If this doesn't sound like the person who is filing your personal property returns you need to talk with us! Many companies look on this annual task as one that just needs to be done quickly and put to bed. But it is so much more. There are numerous tax savings opportunities that last not only the first year you file but for the entire life of the asset. So, care and diligence in preparing to file your personal property return can have big pay offs.

For instance, are you aware of the Freeport exemption conditions for your state? Do you know the requirements that have to be substantiated? Do you do a real v personal check of the property record cards before classifying your assets? Are you getting all of the pollution control, obsolescence and general exemptions you are due? What about your idle equipment or ghost assets? Is all your computer equipment classed to your best advantage? Is your software taxable? Nontaxable?

When you look over your asset listing to prepare for this year's filing...ask yourself those questions. If you don't know the answers feel free to call us and we'll help you out.

Omitted in Oklahoma

Oklahoma's Attorney General recently clarified that property that has been omitted from the Oklahoma property tax rolls in a prior year or years is to be entered on the assessment rolls with interest. The taxpayer must be given an opportunity to protest but once that period is over the property is assessed for those years with the delinquent taxes and 12% interest, extended to the current tax roll.

The interest is 12% and not the usual 1.5% for delinquent taxes due to a special omitted property statute mandating the higher amount.

Tattle Tail, Tattle Tail

The San Francisco Board of Supervisors passed an ordinance that rewards "real estate watchdogs" for reporting those suspected of underpaying their property taxes. This is an issue in California because property is only subject to revaluation once it is sold. Therefore, surprise, surprise, some transactions go unreported.

The informant can get up to \$500,000 for snitching. One caveat, the snitcher cannot have been a party to concealing the unreported transaction! Go figure!

Tax Repealed

Effective January 1, 2007 Florida has repealed the annual tax on intangible Personal Property.

Burr Wolff No More

Property tax consulting firm Burr Wolff closed its doors earlier this month. As they handled real and personal property this has left some in a lurch...if you know of anyone who needs help feel free to give them our name!

Lower Personal Property Taxes on the way in Michigan?

Earlier this year the MI Legislature voted to eliminate the Single Business Tax (SBT) by the end of 2007. The SBT currently makes up more than 20 percent of the state budget and helps fund education, health care, and other programs. With the SBT set to expire Michigan Governor Jennifer M. Granholm is urging the Legislature to adopt her proposed Michigan Business Tax (MBT) as a replacement for the SBT.

The MBT replacement plan would expand the current small-business exemption of \$350,000 in gross receipts by phasing in the tax between \$350,001 and \$700,000 in gross receipts. Businesses with \$350,000 or less in gross receipts would continue to be exempt. The proposed tax would use three components as the tax base. Business gross receipts would be taxed at 0.125 percent, assets at 0.125 percent, and profits at 1.875 percent.

Reducing the Personal Property Tax

Business personal property is currently subject to the 6-mill state education tax and the 18-mill school operating tax imposed on non-homestead property. Under the MBT, property classified as industrial and commercial will be exempt from both of these millages. This exemption amounts to a 46 percent reduction in personal property taxes statewide, although the percentage reduction will vary by jurisdiction.



**Happy
New Year!!**

