

property

Taxfacts

News and Views

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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!



This year was filled with angst and fraught
But we hope the holiday spirit you've caught!



Our office has contracted our staff is less
But our property tax prowess is at its best!!

We pledge to keep working night and day
To keep your 2010 property taxes at Bay!!

So party and celebrate and forever be Merry!!

From Carl, Jay, Jennifer, Stacey and Terry!!



What's Your New Year's Resolution?

For those of you with assets in states that tax tangible business personal property make it this year's resolution not to miss any tax savings opportunities. Many times the Personal Property returns are completed using un-audited information from the fixed asset listing and simply plugging a summary of the totals into the columns on the reporting form. Add to that a general lack of understanding of the nature of and rules governing the personal property tax and you have the potential for problems from over, under or just plain improperly reporting.

However, by carefully examining the accounting information with an understanding of the relevant property tax rules in effect, a significant tax savings may be achieved or a costly discovery audit avoided. The key is to undertake this review with property tax compliance in mind, not just fixed asset accounting. So, in addition to the "standard" list of fixed asset management data which includes: acquisition cost, date of acquisition, description, taxable situs, use, asset tag number and itemization of freight, transaction taxes, installation and set up charges and entity overhead charges you can also focus on the following property tax savings opportunities:

- ❖ Idle equipment—tax reduction opportunities based on the use of these assets.
- ❖ Exemptions—certain property may be exempt from the general provisions of property tax law i.e. software.
- ❖ Exempt organizations—the US and local governments as well as some religious and non profit organizations are exempt from property tax.
- ❖ Tax Incentive Programs—there may be special incentives available based on factors like expansion or job growth
- ❖ Freeport exemption—this eliminates the possibility of taxation of goods in international commerce as well as double taxation of property stored in one state before being shipped to another state.
- ❖ Pollution Control—qualified air and water pollution control equipment may be exempt.
- ❖ Obsolescence—Normal wear and tear on equipment is accounted for in the depreciation tables in most states but obsolescence is not. You need to consider both types of obsolescence—functional and economic.
- ❖ Leasehold Improvements—extreme care should be taken before reporting these items to avoid double taxation since these improvements may also have been considered as real property in the valuation of the building.

Wake County NC to Begin PP Audits.

As North Carolina businesses gear up for filing their 2010 personal property renditions they may want to be looking over their shoulders. Wake County officials inked a contract to begin auditing those filings in 2010. North Carolina audits can go back as many as 6 years so you could face an audit on records from 2005.

Discoveries from an audit are considered non-reported assets and therefore carry penalties of 10% compounded per year. You can appeal the results of an audit, usually within 30 days of receiving the results. Call Jay Jerome of our office with any personal property questions.



Ennes & Associates Nominated for Business of the Year!

Ennes & Associates has been nominated for the 2009 Business of the Year by the Arlington Heights Chamber of Commerce. E&A's role in helping businesses manage their property tax burden during these trying economic times along with the Company's continued commitment to the community was cited in the nominating petition.

Businesses must make significant contributions to the Chamber, the economic growth of the community and the Village itself to be considered for the honor. E&A president Terry Ennes, a former Chamber President, says, "We appreciate the vote of confidence from fellow members. It is an honor to be considered along side the other outstanding nominees."

Boston Woes

Fiscal year 2010 actual tax bills will be arriving shortly for Boston MA taxpayers. Commercial property owners can expect to see higher tax bills even though their property values have declined anywhere from 25% to 40% over the past two years according to local experts.

Taxpayers can blame Proposition 2 ½ for the increases. The Prop places constraints on year to year levy increases limiting the total revenue that can be raised by taxing real and personal property. Taxing bodies use a levy limit and a Levy Ceiling to establish their levy limits.

So, values go down tax rates go up and visa versa. That is why Boston's property tax revenue will grow even though values have fallen. Add to this Chapter 169 of the Acts of 2007 which allowed major MA cities to shift more of the tax burden from residents to businesses and you have businesses ready for another tea party in the harbor! The appeal deadline in Boston is February 1, 2010.

Give Us the Info!

It's a challenging market out there for commercial real estate. Forecasters predict continued value declines through 2010. This is when it is extremely important to maximize your property tax appeal strategy to minimize your tax expense.

One of the best ways to do that is to carefully track and record any factors that support a decline in your property's value. These can include vacancy, rent concessions, deferred maintenance, and increased operating costs to name a few.

Then, equally important, share this information with E&A. We can use your specific information, along with general market trends, to challenge your assessment. Aggressively pursuing appeals can be one way to survive the buffeting forces of this market.