

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.

Question: What are leasehold improvements?

Answer: Leasehold improvements are defined as improvements to leased property that have been made by the lessee. Examples include special wiring, plumbing for machinery, counters, booths, special partitioning and lighting, or other trade fixtures needed to operate a business.

Question: Aren't all leasehold improvements taxed as part of the real estate?

Answer: Not necessarily. If you required a special fit-out to conduct your business, and you paid for the fit-out, you should declare it as personal property. If you are unsure if you should declare the cost of renovations as personal property, you should include an itemized listing of the renovation and the associated cost, and we will determine what items to include in the annual personal property filing.

Question: Who must file?

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

Question: Why must I file a personal property declaration?

Answer: Connecticut General 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 a personal property declaration?

Answer: In September of each year, an invitation for online personal property declaration is mailed to each business owner. If you do not receive this form, blank declarations may be found online under forms on the Tax Department (Assessment & Revenue Collection) at www.enfield-ct.gov.

Question: What if I receive more than one declaration?

Answer: All declarations must be returned to the Assessor's Office. If you have more than one location, the assets of each must be listed on separate returns.

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 included in the rent?

Answer: Yes. There is a form entitled "Lessee's Report of Personal Property" (M-61) which is part of your personal property declaration specifically for those assets. Even though assets are assessed to the owner, they must be listed on this form. 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 1st. You may send a written request to the Assessor's Office for an extension until December 15th. **There is a 25% penalty for failure to file 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: Personal property is assessed to the owner of record as of October 1st of each year. In other words, if you sell your business on January 15th you would be responsible for the tax bill that comes out in July of that year. There is limited provision in the Connecticut Statutes for proration of personal property only in the event of catastrophic fire.

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

Answer: When a declaration is not filed by November 1st, the Assessor's 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% of estimated assessment for failure to file.**

Question: If I am no longer in business, should I still file a 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. Additional documentation may be required.
- ✓ Sign and date the form. Return the declaration to the Assessor's Office, listed on the reverse side.

**HELPFUL HINTS
AND
SUGGESTIONS**

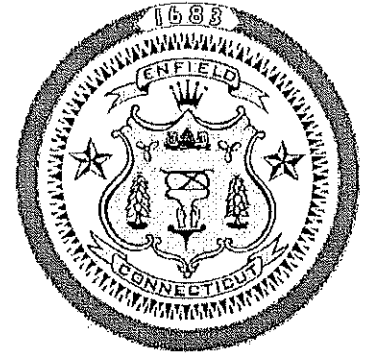
- File the original declaration with this office as soon as possible before November 1st. Be sure to sign and date your return.
- DO NOT USE vague terms such as "various" or "same as last year". Your declaration WILL NOT BE ACCEPTED.
- If you have an asset listing or depreciation schedule that identifies each piece of equipment, attach it to your completed declaration.
- Please indicate the original cost of each item plus transportation and installation costs, if applicable, on your declaration. They are important considerations in determining an accurate assessment.
- 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 sell your business, go out of business, or move to a new location, please inform the Assessor's Office. It will enable us to keep timely, accurate records.

This pamphlet answers some common questions concerning personal property and provides general 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, please feel free to contact our office for assistance.

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TOWN OF ENFIELD

**Questions
And
Answers
About
The
Assessment
And
Taxation
Of
Personal
Property**