

## **MOST FREQUENTLY ASKED PERSONAL PROPERTY QUESTIONS & ANSWERS:**

Business Personal property filing period is October 1 through November 1, annually. If mailed, a post mark of November 1st is acceptable, however a filing **received or post marked after** November 1st **shall be subject to a 25% penalty**.

### **What is “taxable Personal Property?”**

Taxable personal property is tangible property other than real estate and registered motor vehicles, as described in Sections 12-41 & 71 of the Connecticut General Statutes. Examples include **BUT are not limited to; non-residential (owned by business)** furniture, fixtures, equipment, computer equipment, tools, machinery, horses, mobile offices or storage trailers, signs, videotapes and disks, leasehold improvements, leased equipment and **non-registered** motor vehicles. Personal property such as **residential (owned by an individual NOT a business)** furnishings, clothing and jewelry is not taxable.

### **I already paid sales tax on my property. Is this a new requirement?**

The sales tax is a State tax and the personal property tax is a local tax. Connecticut law has required owners of taxable personal property to annually report property owned by them on October 1 to the municipal Assessor since 1949.

### **Who must file a personal property declaration?**

All owners and lessees of personal property on October 1, or having business personal property that may have been in various locations but was located in the Town of North Canaan during the three months prior to October 1. Leased, loaned or rented personal property must also be declared, but is taxed to the owner.

### **When are personal property declarations due to be filed?**

The deadline for filing declarations is November 1st of each year, unless the first is a holiday or weekend. There is a twenty-five (25%) penalty for late filings. (Contact your Assessor's Office regarding due dates if on a weekend or holiday)

### **How does the assessor know if my declaration is accurate?**

Connecticut law authorizes the Assessor, or the Assessor's designee, to perform an audit for up to three (3) years, requiring the property owner to appear with accounting books, documents, federal tax returns, etc. for examination under oath in reference to their personal property. Any property discovered during an audit and not previously reported will be added along with the twenty-five (25%) percent non-compliance penalty.

### **I didn't get a declaration in the mail. Am I still required to report my property?**

Yes. It is the responsibility of the property owner (or lessee) to file a declaration. The Assessor's Office mails out declarations at the end of September to all known owners of taxable personal property. If you do not receive a declaration form in the mail, one can be obtained at the Assessor's office OR on the assessor website as of October 1.

### **What if I don't file a declaration?**

The Assessor shall prepare an estimated declaration **and add to it a twenty-five (25%) percent non-filing compliance penalty** to that assessment, pursuant to Connecticut law.

### **Are there any tax breaks available to owners of personal property?**

Yes. Certain full and partial exemptions may be available for manufacturing equipment, mechanics' tools, farming equipment and pollution control equipment. Incremental exemptions may be applied to newly acquired machinery and equipment used in manufacturing and fabrication. Contact the Assessor for further details. 860.824.7313 X108

### **What if I think I'm over-assessed?**

You can appeal your assessment to the Board of Assessment Appeals. Applications must be made by February 20, or March 20th if the Assessor has an extension to complete the Grand List. If you filed your declaration late or failed to file at all, you may still appeal your assessment, but a 25% penalty must still be applied. You must provide to the Board, three (3) years of Federal Income Tax returns at the time of the hearing. Contact the Assessor's Office for further details regarding the Board of Assessment Appeals (BoAA).

### **What if I buy or set up a business after October 1? Must I declare my personal property?**

If you buy or set up a new business and have no personal property on October 1, you need not file a declaration until the following year.

### **I'm no longer in business but I received a declaration. Do I still need to file?**

Yes. Complete the section on page three (3) of the declaration "Affidavit of Business Closing or Sale of Business" and tell us what happened to the property. **DO NOT IGNORE THE DECLARATION!** If you do not return this information, the Assessor will assume that you are still in business but have failed to file. You will be assessed, penalized and taxed unless you return the form with the required information. Contact the Assessor's Office, 860 824-7313 X108 for information regarding acceptable documentation.