

# Personal Property

Presentation for WCAA 3/21/2016

By Jon Steinberg, MAA

Chief Assessor, Town of Westborough

# Personal Property

- Who's taxable for what?
- Discovery?
- What gets appealed?

A. Name of taxpayer: FID Number: \_\_\_\_\_ (NOT SSN)

B. Assessors' use only

(1) Owner's name: \_\_\_\_\_

(2) Business name: \_\_\_\_\_

C. Indicate status:

Individual. (Do not include social security number above)

Partnership. Provide names of all partners: \_\_\_\_\_

Association or Trust. Provide names of all members/trustees: \_\_\_\_\_

Limited Liability Company. Provide names of all members: \_\_\_\_\_

**If any of above, or other non-corporate entity, treated as corporation for federal income tax purposes (a) by default rules, check here  or (b) by election form, check here.  Effective date: \_\_\_\_\_ . Attach federal election form 8832.**

Check here  if entity filing federally as a corporation is classified as a manufacturer by Department of Revenue. (To be classified as a manufacturer, an application must be made to the Department on or before January 31 on form 355Q. G.L. c. 63, §§ 39 & 42B; c. 58, § 2; c. 59, § 5(16)(5) and 830 C.M.R. 58.2.1)

if entity filing federally as a corporation files Massachusetts return 63-20P, 63-23P or 63FI. (see below)

Corporation. (Check this box only if an incorporated entity)

Check here  if corporation classified as a manufacturer by Department of Revenue. (To be classified as a manufacturer, an application must be made to the Department on or before January 31 on form 355Q. G.L. c. 63, § 42B; c. 58, § 2; c. 59, § 5(16)(5) and 830 C.M.R. 58.2.1)

if an insurance company filing premium excise return 63-20P or 63-23P (G.L. c. 63, §§ 20 & 23)

if a financial institution filing financial institution excise return 63 FI (G.L. c. 63, §§ 1 & 2)

Executor/administrator. Indicate estate of: \_\_\_\_\_ Decedent's last residence: \_\_\_\_\_

Other. Specify: \_\_\_\_\_

D. Annual certification of entity tax status (all except individuals must complete):

Has entity filed Certification of Entity Tax Status as of this January 1 with Department of Revenue? Yes  No  (Certification must be filed annually on or before April 1. [DOR Directive 12-05](#)). If yes, provide confirmation number \_\_\_\_\_.

# Partnerships, Sole Proprietors, LLC

- Everything right down to the office supplies and inventory.
- What do they appeal?
  - No longer there
  - Value
- Key to assessment:
  - January 1 inspections
  - Form of List filing
  - RCNLD

# Corporations

- Who qualifies?
  - Corporations Book
  - Secretary of State Filings
  - Ask

## Entity Classification Election

► Information about Form 8832 and its instructions is at [www.irs.gov/form8832](http://www.irs.gov/form8832).

<b>Type or Print</b>	Name of eligible entity making election	Employer identification number
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, postal code and country. Follow the country's practice for entering the postal code.	

- Check if:  Address change     Late classification relief sought under Revenue Procedure 2009-41  
 Relief for a late change of entity classification election sought under Revenue Procedure 2010-32

**Part I Election Information**

**1 Type of election** (see instructions):

- a  Initial classification by a newly-formed entity. Skip lines 2a and 2b and go to line 3.  
b  Change in current classification. Go to line 2a.

**2a** Has the eligible entity previously filed an entity election that had an effective date within the last 60 months?

- Yes. Go to line 2b.  
 No. Skip line 2b and go to line 3.

**2b** Was the eligible entity's prior election an initial classification election by a newly formed entity that was effective on the date of formation?

- Yes. Go to line 3.  
 No. Stop here. You generally are not currently eligible to make the election (see instructions).

**3** Does the eligible entity have more than one owner?

- Yes. You can elect to be classified as a partnership or an association taxable as a corporation. Skip line 4 and go to line 5.  
 No. You can elect to be classified as an association taxable as a corporation or to be disregarded as a separate entity. Go to line 4.

**4** If the eligible entity has only one owner, provide the following information:

- a Name of owner ► \_\_\_\_\_  
b Identifying number of owner ► \_\_\_\_\_

**5** If the eligible entity is owned by one or more affiliated corporations that file a consolidated return, provide the name and employer identification number of the parent corporation:

- a Name of parent corporation ► \_\_\_\_\_  
b Employer identification number ► \_\_\_\_\_

## Corporations – What’s Taxable

- “machinery used in the conduct of the business, which term, as used in this clause, shall not be considered to include **stock in trade** or any personal property directly used in connection with dry cleaning or laundering processes or in the refrigeration of goods or in the air-conditioning of premises or in any **purchasing, selling, accounting or administrative function**”?

# What gets appealed?

- Not taxable.
  - Manufacturer – DOR designation
  - Financial Institution – Excise Return
  - Insurance Company – Excise Return
  - Charitable – 3ABC
  - Left town – January inspection
- Corporate Structure
  - LLC - Subsidiary
- Value
  - Remaining value in use
  - Burden of proof.
  - Burger King Store #4, Inc. v. Marlborough



# Discovery

- Inspections – Don't be shy?
  - Show up - Go to the top
- Get the information from them
- Documentation
  - Tax returns – including depreciation schedules
  - Insurance binders
  - Balance sheet & Income statements
- The law is on your side for 3 years

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