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# PERSONAL PROPERTY TAX INFORMATION FOR THE TOWN OF SCOTLAND

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## WHAT IS PERSONAL PROPERTY?

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Personal property is assets that are not real estate and that are used in a business or to earn income. It includes furniture, equipment, machinery, fixtures (items that are not permanently attached to the real estate, such as display cases, reception desks, shelving, water coolers), tools, storage tanks, signs, vending machines, computer equipment, leasehold improvements, copy and fax machines and conveyor belts. It does not include household furnishings, clothing, companion animals, personal electronics and jewelry.

It also includes unregistered motor vehicles regardless of their condition or intended use; unregistered snowmobiles, personal watercraft (i.e., Jet Skis), golf carts and ATVs; motor vehicles registered in other states but located in Connecticut for three or more months in the preceding assessment year from October 1 – September 30; and unregistered property used in construction, building, grading, paving or similar projects, including, but not limited to bulldozers, tractors and any trailer-type vehicle.

The categories of personal property are: Farm Machinery; Farm and Mechanics Tools; Furniture, Fixtures and Equipment; Electronic Data Processing Equipment; Other/Leasehold Improvements; and Unregistered Motor Vehicles.

## WHY MUST BUSINESSES AND OWNERS OF UNREGISTERED MOTOR VEHICLES FILE PERSONAL PROPERTY DECLARATIONS ANNUALLY BETWEEN OCTOBER 1 AND NOVEMBER 1?

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Connecticut General Statutes require the filing of personal property declarations annually under C.G.S. §12-41, 12-43 and 12-71.

## WHAT IF I FAIL TO FILE OR FILE LATE?

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If you fail to file a declaration, omit property or file incomplete information, the assessor will complete the declaration for you based on the best available information, and your assessment will include a 25% penalty. The penalty cannot be removed by the Board of Assessment Appeals.

## WHAT INFORMATION IS REPORTED ON THE DECLARATION?

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A description of the item, including make, model/serial number, year manufactured and any other characteristic used to identify the item; the acquisition cost, including transportation and

installation costs, and the date of acquisition. If the acquisition cost is nominal or the item is a gift, estimate the market value of the property at the time of purchase.

Asset lists containing the required information are a good way to track property purchases and disposals. The depreciated values of personal property, by year acquired, are summed and the totals, by year and category are shown in the declaration.

Many of the items listed on a declaration are 5 and 7 year property for purposes of federal income tax depreciation. Unlike federal taxes, however, the items will continue to be listed on the declaration at a 20% or 30% residual value until they are disposed of.

## WHAT ELSE SHOULD I KNOW?

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- i. If you require an extension of up to 45 days to file, you must request the extension from the Assessor prior to November 1.
- ii. Under CGS §12-53, the assessor or his or her designee can audit the declarations for the current and two prior years. The property owner may have to produce invoices, depreciation schedules and other files to support his or her property values. Any items found omitted or erroneously reported will be added to the declaration with a 25% penalty.
- iii. Keep track of asset disposals through invoices, junk receipts, auction house receipts, etc.
- iv. Unlike registered motor vehicles, personal property taxes are not prorated. If you own an item on October 1 you will be taxed on it for the entire Grand List year, October 1 – September 30.
- v. If you are uncertain as to what items should be declared, the assessor can visit your business location and identify the items of personal property.
- vi. If you sell, close or move your business, notify the assessor. You will need to fill out the box on the 1<sup>st</sup> page of the declaration and provide proper documentation.
- vii. If you lease equipment, report it on the declaration so we can send the lessor a declaration. Otherwise, you will be responsible for paying the personal property tax.
- viii. **SIGNED DECLARATIONS ARE DUE NOVEMBER 1.** One will be mailed to you at the address on file. Failure to receive a declaration does not relieve you of the responsibility to file. Forms are also available on the Assessor's page of the town's website, <http://scotlandct.org>

**CALL WITH ANY QUESTIONS. THE ASSESSOR IS HERE TO HELP YOU  
COMPLY WITH THE LAW.**

Tax Assessor  
860-423-9634  
860-423-3666 (fax)  
[assessor@scotlandct.org](mailto:assessor@scotlandct.org)