



PERSONAL PROPERTY TAX COMPLIANCE: A Burden or an Opportunity?

The Challenge

As we preparers enter the heart of our filing season gathering fixed asset data, preparing extensions, filing renditions, and reviewing assessment notices, the main question at hand is “Have we done everything in our power to ensure our personal property tax liability is as low as possible?”

Almost no assessing jurisdiction in the country has a viable way to capture adverse events as it relates to the valuation of your tangible personal property. For example, a manufacturing company has just invested \$10 million in new equipment and the EPA has imposed a new restriction on the manufacturing process--does this affect the value of your investment; what does this mean for your personal property liability? Under the mass appraisal assessing model, an Assessor will strictly look at the cost of the equipment and acquisition date as the basis of assessment. The Assessor's traditional model does not capture loss of productivity due to the EPA changes and that loss does have an effect on the value of your property.

Above-the-line tax savings may not be realized if this information is not known or considered by the taxing jurisdiction.

The Solution

Recent trends indicate that being proactive with an assessing jurisdiction can greatly improve your ability to reduce your personal property tax liability. Our success has been attributed to meeting with assessing jurisdictions and presenting reduction claims at the time of filing renditions versus waiting for assessment notices to be issued. Once formal assessment notices are issued, a jurisdiction's operating budget has been established and it becomes more difficult to obtain changes to the assessed value. By being proactive via the compliance process, a jurisdiction is allowed more time to learn about pertinent facts that contribute to the value of your property and is more likely to adjust the assessment roll prior to formal appeal process.



CONTACT INFORMATION

Our Property Tax Team offers compliance and review services for your personal property function. If you would like to discuss how we can contribute to your bottom line, please contact us.

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