Welcome!

Tax Planning for Small Businesses Webinar

March 12, 2025

A recording of this evening's webinar along with a copy of this presentation will be made available on the Town of Trumbull website by 3/19/25:

https://www.trumbull-ct.gov/661/Events

If we are unable to answer your questions this evening, we welcome you to reach out to the Town of Trumbull Tax Assessor Office at:

taxassessor@trumbull-ct.gov or 203.452.5016

TAX ITEMS TO CONSIDER BEFORE 4/15/2025

DISCLAIMER: NOT TAX ADVICE:DISCUSS WITH TAX ADVISER BEFORE MAKING ANY DECISIONS OR TAKING ACTION BASED ON THIS PRESENTATION

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Your 1040 Is A Combination Of Your Personal, Business And Investment Tax Activity

SCORE 3/12/25 Town of Trumbull

- Email joseph.dagostin@scorevolunteer.org

- If you want a copy of this PowerPoint presentation go to internet site irs.gov for tax information and for all forms and schedules and instructions as well as information about your tax account and refund
- A copy of today's presentation and a recording of the webinar will be made available on the Town of Trumbull website at: https://www.trumbull-ct.gov/661/Events

BENEFICIAL OWNERSHIP INFORMATION (BOI) REPORT

- New mandatory report to be filed by all businesses
- Per Corporate Transparency Act
- Must be E-filed to FinCEN: Financial Crimes Enforcement Network (wants to reduce money laundering)
- Due date:1/1/2025
- See https://fincen.Gov/boi
- From above site see video on who, how to file & E-file link
- Need company name, EIN, copy of drivers license or passport (all explained in video)

TOPICS TO BE COVERED FOR 12/31/2024 TAX RETURN

1. *Review All Pages Of 2023 Tax Return*
2. *2024 Standard Deductions*
3. *Charity Deduction If Taking Standard Deduction*
4. *Pass Thru Business Forms*
5. *15.3% Self Employment(se) Tax On Business Profits*
6. *Rules On Taking Business Losses*
7. *Other Items*
8. *Required Minimum Distributions (RMD)*
9. *Security Gains And Losses (Schedule D)*

25 PAGES

TOPICS-continued

10. Annual Gift Exclusion $18,000
11. Sale Of Residence
12. Qualified Business Income Deduction (QBI)
13. CT Pass Thru Entity Tax (PET)
14. Passive Vs Non-passive Income/Loss
15. Deferral Of Year End Bonus Award
16. Employee Or Independent Contractor (Form SS-8) & IRS 20 Factor Test On IRS.Gov Website
17. VITA Prepared Returns For Free
18. SCH C And SCH E For Business
19. Crypto Currency 1099-K, 1099 Misc.

1:REVIEW 2023 FED/STATE TAX RETURNS

- Review 2023 State, Federal Tax Returns
- Did You Receive Refund Or Pay In 2023
- Are 2024 Income /Deductions Same Or Different
- Unemployment Compensation Fully Taxable In 2024
- What Are Withholdings In 2024 Vs 2023
- Meet With Your Accountant
- Business—SCH-C, SUB-S. PSHIP part of your 1040 (think of it as personal income/deductions and business loss/gain are consolidated to arrive at taxable income and your tax rate).
- Organize Documents Needed **& Estimated Tax Payments If Needed**

25 PAGES

2.STANDARD DEDUCTION

- Single $14,000
- Married Filing Joint Or Qualifying Widow $29,200
- Married Filing Separately $14,600
- Head Of Household $21,900
- Additional Standard Deduction Of $1,550 If Over 65 Or Blind
- And $1,950 If Unmarried Or HH
- Taxable Income Brackets Range From 10%-37% Depending Upon Income And Filing Status—S,MFJ,MFS,HH
- MFJ Both Over 65--$32,300

3:CHARITABLE DEDUCTION IF TAKING STANDARD DEDUCTION

- No more cash contributions allowed as a deduction before taxable income if made to qualified charitable organization in 2024 and was $300 but $600 for MFJ.
- **To receive a federal or state refund you must file a tax return even if you have no taxable income.**
- **Identity theft is a big problem, so the IRS says always file a tax return—guidance at IRS.Gov.**

4:PASS THRU ENTITIES

- Pass thru or flow thru means the business entity is reported on your 1040.
- Sole proprietorship (SCH-C)
- LLC single member (SCH-C)
- Partnership: Must file 1065 (non-taxable) and issue K-1 to each partner to file on their 1040 SCH-E
- SUB-S must file 1120s (non-taxable) and issue K-1 to each owner to file on their 1040 SCH-E plus W-2 re owners salary
- Landlord reports on SCH-E page 1
- Note: C-corp is not a pass thru and files 1120c tax return and taxed at corporate rate of 21% /losses stay with corporation

4:PASS THRU BUSINESS FORMS, cont.

- Only the 1120 C-Corp return has separate tax rate now 21%.
- Thus sole proprietor, partnership, S-corp, single member LLC are all pass thru to 1040.
- Sole proprietor, and single member LLC on 1040 schedule C
- Partnership files form 1065 and partners file income/loss on their own 1040 schedule E part ii from K-1 from partnership
- Landlord for rental property files 1040 Schedule E page 1
- SUB-S files form 1120s and issues K-1 to owners to file on their 1040 Schedule E and W-2 for owners' salary.

5: 15.3% SELF EMPLOYMENT (SE) TAX ON PASS THRU BUSINESS FORM PROFITS

- Pass thru owners forget they owe this on profits as they wear the hat of employer and employee ($168,600 income limit)
- This is special tax for Social Security and Medicare
- An employee pays 7.65% from paycheck and employer pays 7.65% for the employee
- Remember profit also taxed at regular bracket rates
- SUB-S does not pay SE tax on profits as long as owners paid reasonable salary
- See example: 100k profit: $15,300 SE tax and say 20% bracket then another $20,000 tax or total of $35,300 tax plus state tax

6: RULES ON TAKING BUSINESS LOSSES

- Most but not all business losses pass to 1040 and offset other income on the return
- 1120 C-Corp does not—all profits and losses remain on 1120-C
- SCH-C losses stated are used to offset other income on 1040
- Partners K-1 losses limited to partner capital account (basis)
- SUB-S losses just like partner above
- Landlord rental losses SCH-E page 1 limited to $25,000 if magi below $100,000 (salt): see passive losses item 14

7:OTHER ITEMS

- 2017 trump tax changes expire 12/31/2025; Tax Rates, STD. DED, Estate & Gift Tax, QBI, and more etc.

- Auto business mileage rate $0.67
- Business meals 100% deductible
- Excellent resource-IRS tax tips: Free daily tax items for personal & business situations>join free from IRS.Gov
- Also big ideas for small business (free daily blog) by Barbara Weltman
- Tax brackets:10,12,22,24,32,35,37

8: RMD CONTRIBUTIONS ON 401K, 403B AND TRADITIONAL IRA

- If you are over 72 , you must start withdrawing from 401K and traditional IRA accounts.
- Because you did not pay taxes on these contributions, the RMD **will now be income on your tax return.**
- There is an IRS formula for withdrawal based on your age.
- The computation is done each year on say 12/31/24 and you must withdraw the amount before 12/31/25 of current year.
- The Fin. Inst. does the calculation for you and sends you a form in January or February: If you instruct them, they will do the withdrawal for you as you wish, eg. annual, monthly, quarterly, etc. in cash or transfer of securities.
- You can contribute to a charity from these accounts and it counts as a withdrawal but not income (up to $105K per year).

8: RMD EXAMPLE

- Market Value Of Account(s) As Of 12/31/2024: $250,000
- IRS Factor Based On Age: 78 Is 22.0 {Per IRS Table)
- MV Divided By Factor = RMD Amount To Be Withdrawn By 12/31/2025: 250,000/22= $11363.64 {About 4.5%)
- Withdrawal can be any combination of cash, securities, charitable donations - if you make charitable donation it counts for RMD but **reduces taxable amount on 1040.**
- **Financial Inst. will do comp for you in January and ask how you want withdrawal---even set up recurring instructions.**
- **IF YOU HAVE MULTIPLE IRAs RMD CAN BE FROM EACH OR ANY COMBINATION.**

9: SECURITY LOSSES AND GAINS(SCH-D)

- Losses on securities can be offset against security gains.
- For tax item you must sell the securities, stocks, bonds, mutual funds- crypto currency too.
- If own less than a year short term gain or loss, taxed as ordinary income: capital gains tax rates 15% & 20% relative to income.
- If own more than a year taxes at capital gain rates - Financial Inst. will send you 1099B for sale and show cost basis.
- If only have losses or net losses, then loss cannot exceed $3,000 per year, excess is rolled forward.
- If you have gains, make inst. take withholding @15%+ or make estimated tax.
- If you like security but sell at loss you can buy back after 30 days and avoid wash sale rules.

10: ANNUAL EXCLUSION FOR GIFTS $18,000 PER PERSON 2024 & $19,000 2025

- THIS MEANS GIVING TO ANYONE: RELATIVE OR NOT AND IF MARRIED THIS IS $36,000 PER YEAR: NOT INCOME TO RECEIVER: **NOT A DEDUCTION TO GIVER ($38,000 in 2025)**
- If you exceed this, must fill tax form but amount goes against your estate exemption of $13,610,000 per person
- Connecticut estate tax exemption is $7,100,000 (equal to federal exemption in 2024 and beyond)
- Grandparents who pay for grandchild college not a gift and not taxable at all

11: SALE OF RESIDENCE

- You can sell your primary residence and be exempt from capital gains taxes on gain of the first $250,000 if single and $500,000 if MFJ. This exemption is only allowable once every two years. **Loss on sale of residence is not deductible.**

- **The cost/basis of your residence** is purchase price plus additions like new roof, heating system, windows/doors, siding, gutters, driveway, patio, additional rooms, etc.
- Gain equals selling price less real estate commission less cost/basis---- reported on Schedule D.

12: QUALIFIED BUSINESS INCOME (QBI) DEDUCTION

- QBI was created for pass thru businesses when the C-Corp tax rate was reduced to 21% from 35%
- QBI is a computation that can be as high as 20% of business income but does not reduce business income or SE tax
- Whether you can claim QBI depends on your taxable income
- Which limit in 2024 was $191,950 single and $383,900 MFJ
- Form 8995 and 8995A used to calculate deduction
- The deduction appears on 1040 page i line 13 and reduces taxable income

13: CT-PET TAX FOR PSHIPS AND SUB-S

- Pass-thru Entity Tax (PET); Effective 1/1/2018
- File CT Form CT-1065 Or CT-1120s Due 3/15/Xx
- 6.99% Tax On Profit
- No Tax On Loss Which Can Be Carried Forward
- Entity Pays Tax And Owners Get Credit On Their CT Income Tax Returns Based On Profit Sharing % (Ownership)
- **Since Corp Rate Dropped To 21% From 35% This Helps To Lower Other Business Taxes As Itemized Deduction For State WH And Property Taxes Limited To $10,000(salt)**

14: PASSIVE VS NON-PASSIVE INCOME/LOSS

- Passive losses are only allowed to offset passive gains.
- Passive activity examples are leasing, rental property, limited partnerships.
- Your C-Corp or pass thru business is non-passive (active) not passive
- Passive: Activity which investor does not *materially participate(MP)*
- *MP equals working more than 500 hours or to be real estate professional 750 hours and must be more than 50% of personal services you provide to all businesses*

15: DEFER BONUS PAYMENT TO 2025- ACCRUAL ACCOUNTING SYSTEM

- If Awarded Bonus In 2024 Ask Corp To Pay You In 2025
- Perfectly Legal For Accrual Accounting Businesses
- Wall Street Has Been Doing For Years
- Must Be Paid In First 2 ½ Months Of 2025 But Corp Gets Deduction In 2024

16: EMPLOYEE OR INDEPENDENT CONTRACTOR (SS-8) OR 20 FACTOR IRS TEST

- Employee will receive W-2 while independent contractor (IC) receives a 1099 and IRS will also receive copy.
- If worker receives no vacation, holiday, sick time, health insurance, 401k or other benefits then usually IC.
- Employees cost employers more than IC due to unemployment insurance, workman's comp, 7.65% Social Security & Medicare Ins, & other benefits.
- Employer can choose to have IC or employee due a task or project but should have written contract with IC.
- IC usually works without employer presence and maybe not even at business location—must complete task to employer satisfaction to get paid, usually part time not full time period of work.
- Some workers do not even know they are treated as IC by employer & often ask IRS to intervene when they realize this.

17: VITA PREPARED RETURNS FOR FREE

- Volunteer Income Tax Assistance (VITA) is an IRS national program using Taxslayer computer software by IRS trained volunteers.
- Some Fairfield sites: Darien, Norwalk & Fairfield libraries; Norwalk senior center; Stamford library
- 2024 Returns done virtually and face to face
- Intended for medium and low income
- All documents must be provided to preparer
- Certain situations out of scope like rental property(SCH-E) depreciation, SCH-C business expenses over $35,000, cancellation of debt, home office use

17: VITA PREPARED TAX RETURNS FOR FREE

- This is an IRS partnership national program whereby trained volunteers prepare federal and state returns using IRS software.
- It is meant for medium and low-income taxpayers of any age
- Business return SCH C with depreciation out of scope as is SCH-E rental property
- Certain income levels may also be out of scope
- Nearby locations Darien, Norwalk, Fairfield libraries
- Norwalk Senior Center
- Need a site: Google VITA and put in your zip code

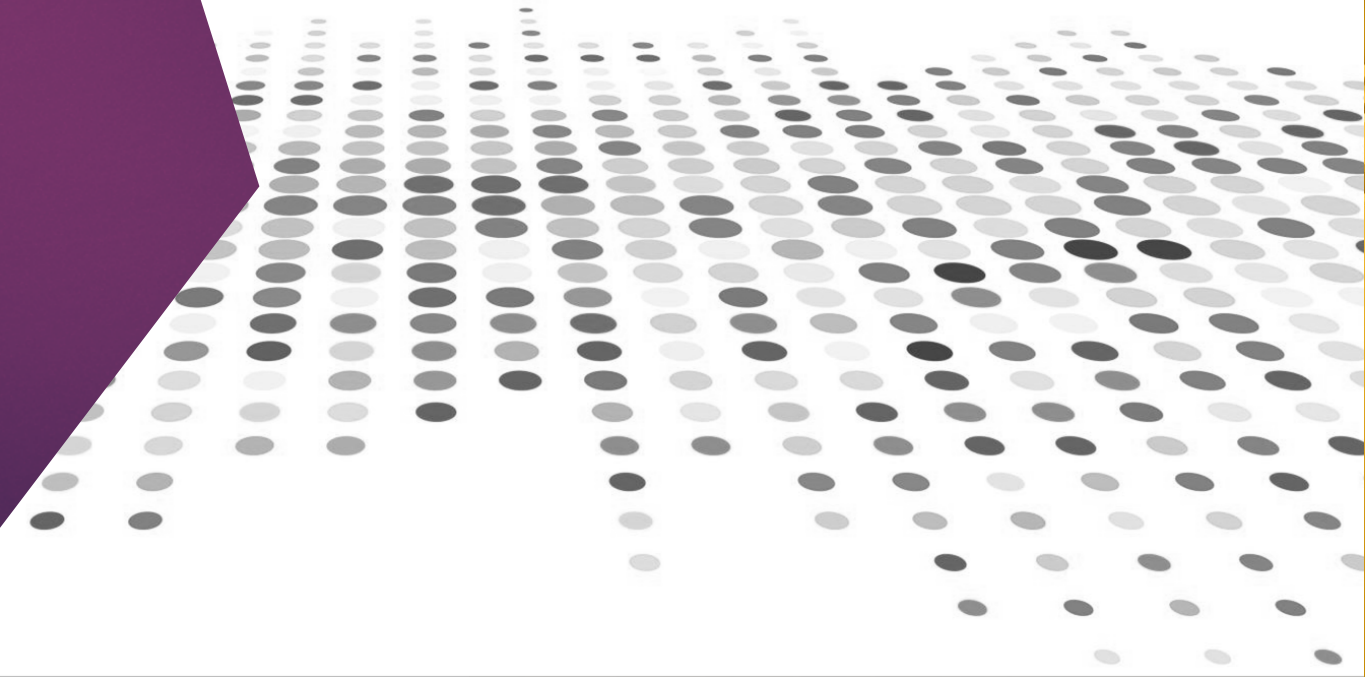
THIRD PARTY INFORMATION REPORTING:1099-K or Q

- Any payment card or third-party network transaction
- Amounts exceeding $600 not $20,000: Bitcoin, Coinbase, Robinhood, Etc.
- Also Crypto Currency with more than 250 trades and more than $20,000 in volume overridden/removed so now over $600 and no transaction limit: Coinbase
- 1099-K reported with business income

Personal Property Declaration Filing

PRESENTED BY:

TRUMBULL ASSESSOR'S OFFICE 03/12/2025



Who needs to file Personal Property Declarations?

- Any business owner or business;
- Any farmer;
- Any owner of an unregistered motor vehicle;
- Any owner of an out-of-state registered motor vehicle that is operated in Trumbull;
- Any horse owners.

What is Personal Property?

- Any goods, chattels, and effects or
- Anything and everything that is owned (excluding land and anything permanently affixed to the land or any interest in land).

What are goods, chattels and effects?

- Goods: Merchandise, wares, etc.
- Chattels: Any item that is movable or immovable property except real estate; an article of personal property.
- Effects: Personal estate of property

Examples of Personal Property

- Vehicles & Trailers
  - Unregistered motor vehicle (most frequently comes/goes or remains in town, whether operable or not);
  - Snowmobile and ATVs that are ***not*** for personal use. ***New for 2024***
  - Residential trailers that are ***not*** for personal use. ***New for 2024***
- Tangible personal property" of non-residents "located in any town for three months or more during assessment year immediately receding the Oct 1st assessment date.
- Business & Industrial Equipment
  - Machinery used in mills and factories:
  - Utility Fixtures (cables, wires, poles, underground pipes for water, gas, electric heating)
- Leasehold improvements
- Furniture and fixtures
  - Furniture in stores, offices, hotels, restaurants, taverns, halls, factories, etc..

Date to File

- The Personal Property Declaration must be filed annually on or before **November 1st** (or the Monday following if November 1st falls on Saturday or Sunday).
- US postmark dates are acceptable but **not** metered mail; ie, Pitney Bowes.

Filing for an Extension

Written requests for an extension must be made by November 1st.

- Extension requests are not automatically granted.
- Assessor has the right to deny or approve for good cause.

What to File?

All personal property items used (full or part-time) in the conduct of the business including items donated, given to you or owned prior to starting your business as of October 1st

All data reported should be:

1. Actual acquisition costs including any additional charges for transportation and installation by year for each type of property described.
2. Include all assets that may have been fully depreciated, written off, or charged to expense but are still owned. Do not include disposed assets.
3. Assets purchased between October 1st and September 30th should be reported on the schedule as of October 1st each year.. (i.e. Computer and equipment were purchased October 20, 2018, April 15, and September 30, 2019, should be reported for year ending October 1, 2019 in table 20 and 16, respectively.)
4. If you disposed of assets, do not continue including them in the schedule. Submit the disposal detail sheet which are used to reconcile last year's reporting with this year's reporting.

How to File

Declarations can be filed either online or on a Tax Assessor's prescribed form.

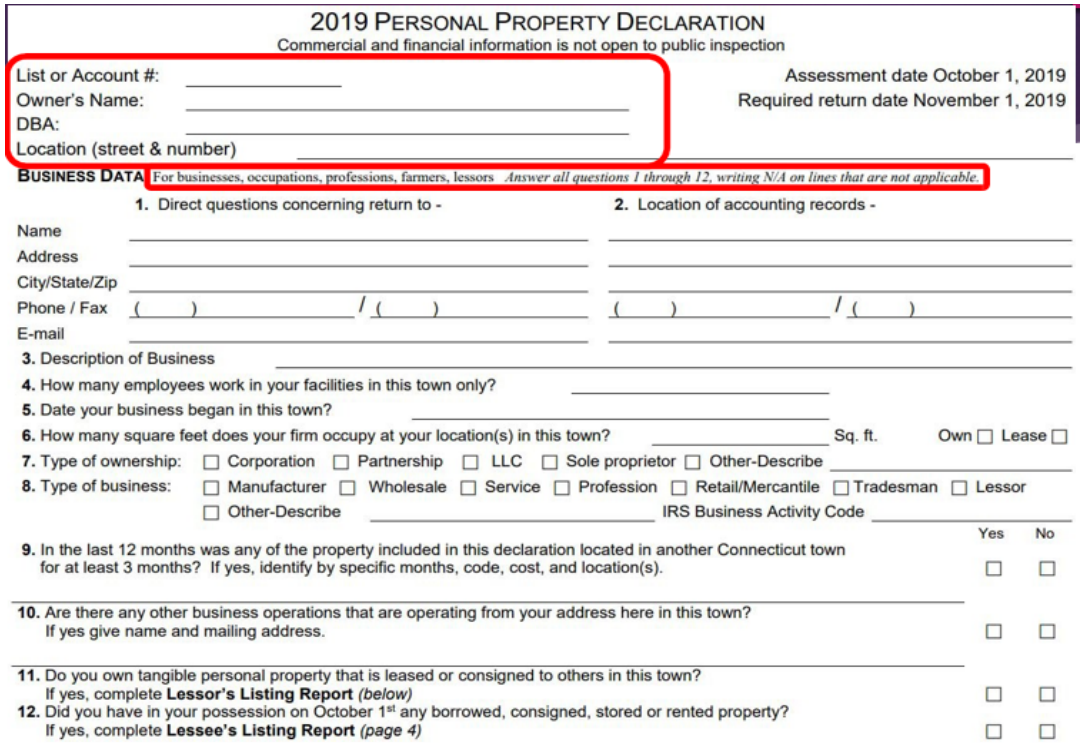
- Personal Property online filing portal opens October 1st every year.
  a) Portal access codes are mailed in September.
     - You will not receive an access code, if your business has not been added to our system prior to them being mailed.
       - You will be required to file a physical form but eligible to file online the following year.
  b) Filing online requires a new username and password every year.
  c) If you are **not** a new business and do not receive or lose your access code, email camamail@qds.biz or taxassessor@trumbull-ct.gov or call assessor's office at 203.452.5016.
  d) Portal link is on the Tax Assessor's web page @ https://www.trumbull-ct.gov/274/Tax-Assessor.
- Physical forms can be located on the Town of Trumbull Tax Assessor's web page.
  a) Trumbull Personal Property Declaration
- Emailed declarations will not be accepted.

How to Complete the Declaration

- Not all sections are applicable to every business.
- Complete *only* relevant sections.
- At minimum, all businesses should have a class code 16, 20, and 23 filled out on pages 5 to 8.
- Owners of Non-Connecticut registered motor vehicles, or Non-Registered motor vehicles must complete code #09 on page 5.
- Visual instructions and examples for each section, along with class codes and respective depreciation schedules are on following pages.

General Information Section

Complete **the GENERAL INFORMATION** Section on page 3.



2019 PERSONAL PROPERTY DECLARATION

Commercial and financial information is not open to public inspection

List or Account #: _____

Owner's Name: _____

DBA: _____

Location (street & number) _____

Assessment date October 1, 2019

Required return date November 1, 2019

BUSINESS DATA For businesses, occupations, professions, farmers, lessors *Answer all questions 1 through 12, writing N/A on lines that are not applicable.*

	1. Direct questions concerning return to -	2. Location of accounting records -
Name		
Address		
City/State/Zip		
Phone / Fax	( ) / ( )	( ) / ( )
E-mail		

3. Description of Business _____

4. How many employees work in your facilities in this town only? _____

5. Date your business began in this town? _____

6. How many square feet does your firm occupy at your location(s) in this town? _____ Sq. ft. Own ☐ Lease ☐

7. Type of ownership: ☐ Corporation ☐ Partnership ☐ LLC ☐ Sole proprietor ☐ Other-Describe _____

8. Type of business: ☐ Manufacturer ☐ Wholesale ☐ Service ☐ Profession ☐ Retail/Mercantile ☐ Tradesman ☐ Lessor
☐ Other-Describe _____ IRS Business Activity Code _____

	Yes	No
9. In the last 12 months was any of the property included in this declaration located in another Connecticut town for at least 3 months? If yes, identify by specific months, code, cost, and location(s).	☐	☐
10. Are there any other business operations that are operating from your address here in this town? If yes give name and mailing address.	☐	☐
11. Do you own tangible personal property that is leased or consigned to others in this town? If yes, complete **Lessor's Listing Report** *(below)*	☐	☐
12. Did you have in your possession on October 1st any borrowed, consigned, stored or rented property? If yes, complete **Lessee's Listing Report** *(page 4)*	☐	☐

*****NOTE*****
A separate declaration should be filed for assets in multiple locations

Lessor's Listing Report

If you have leased, consigned, loaned, or rented equipment, complete the Lessor's Report on page 3.

LESSOR'S LISTING REPORT In order to avoid duplication of assessments related to leased personal property the following must be completed by Lessors: (Please note that property under conditional sales agreements **must** be reported by the lessor.) Computerized filings are acceptable as long as all information is reported in prescribed format.

	Lessee #1	Lessee #2	Lessee #3
Name of Lessee			
Lessee's address			
Physical location of equipment			
Full equipment description			
Is equipment self manufactured?	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
Acquisition date			
Current commercial list price new			
Has this lease ever been purchased, assumed or assigned?	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
If yes, specify from whom			
Date of such purchase, etc.			
If original asset cost was changed by this transaction, give details.			
Type of lease	☐Operating ☐Capital ☐Conditional Sale	☐Operating ☐Capital ☐Conditional Sale	☐Operating ☐Capital ☐Conditional Sale
Lease Term – Begin and end dates			
Monthly contract rent			
Monthly maintenance costs if included in monthly payment above			
Is equipment declared on the Lessor's or the Lessee's manufacturing exemption application?	Yes ☐ No ☐ Lessor ☐ Lessee ☐	Yes ☐ No ☐ Lessor ☐ Lessee ☐	Yes ☐ No ☐ Lessor ☐ Lessee ☐

Lessee's Listing Report

If you have any leased, borrowed, consigned, stored or rented equipment, in your possession - complete the Lessee's Report on page 4

List or Account#: _____

Owner's Name: _____

Assessment date October 1, 2019

Required return date November 1, 2019

LESSEE'S LISTING REPORT Pursuant to Connecticut General Statutes §12-57a all leased, borrowed, consigned, loaned, rented, or stored personal property not owned by you but in your possession as of the assessment date must be included on this form.

Yes	No	
☐	☐	Did you dispose of any leased items that were in your possession on October 1, 2018? If yes, enter a description of the property and the date of disposition in the space to the right.
☐	☐	Did you acquire any of the leased items that were in your possession on October 1, 2018? If yes, indicate previous lessor, item(s) and date(s) acquired in the space to the right.
☐	☐	Is the cost of any of the equipment listed below declared anywhere else on this declaration? If yes, note year in the 'Year Included' row and list cost in the 'Acquisition Cost' row.

	Lease #1	Lease #2	Lease #3
Name of Lessor			
Lessor's address			
Phone Number			
Lease Number			
Item description / Model #			
Serial #			
Year of manufacture			
Capital Lease	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
Lease Term – Beginning/End			
Monthly rent			
Acquisition Cost			
Year Included			

Disposal, Sale or Transfer of Property

For any property disposed of prior to October 1st complete the Detail Listing of Disposed Assets on page 4. You may attach additional sheets if needed.

DISPOSAL, SALE OR TRANSFER OF PROPERTY REPORT

[redacted] If you no longer own the business noted on the cover sheet you do not need to complete this declaration. You must, however, return to the Assessor this declaration along with the complete AFFIDAVIT OF BUSINESS CLOSING OR MOVE OF BUSINESS OR SALE OF BUSINESS found in this return. DO NOT INCLUDE DISPOSALS IN TAXABLE PROPERTY REPORTING SECTION.

DETAILED LISTING OF DISPOSED ASSETS COPY AND ATTACH ADDITIONAL SHEETS IF NEEDED

Date Removed	Code #	Description of Item	Date Acquired	Acquisition Cost

DETAILED LISTING OF ASSETS ORIG VALUE ≤ $250 COPY AND ATTACH ADDITIONAL SHEETS IF NEEDED

Pursuant to CGS 12-81(79) – Listing of assets purchased prior to 10/1/09 with an original cost ≤ $250

Description of Item	Date Acquired	Acquisition Cost

What value do I report?

- The original acquisition cost should include any additional charges for transportation and installation plus sales tax.
- The cost of the asset should be the cost of the item as **NEW**.
- Value paid for used equipment, is NOT the original cost.
- Cost should be an arm's length value (not a forced sale/purchase) that has been neither discounted nor determined by an auction sale.
- If you do not remember or know the item's original cost, look up the current value and put on the appropriate year purchased.
- Include all assets that may have been fully depreciated, written off, or charged to expensed but are still owned.

What is Depreciation?

Depreciation is defined as the loss in the value of an asset due to usage, wear and tear, passage of time or obsolescence. It is usually expressed as a percentage.

How to Calculate Depreciated Value

Depreciation schedules on the Personal Property Declaration are based on percent good (remaining useful life of an asset).

To determine the depreciated value of an asset, multiply the original cost, plus installation and transportation by the percent good.

The percent good can be found in the table/schedule on the declaration under the corresponding class code by respective year acquired.

For example, you purchase a desk from August Lillian on September 15, 2022 for $2,500 (**includes transportation cost and setup**). You find under class code 16 (Furniture, Fixtures, and Equipment), the desk has depreciated 20% since you purchased it. It has a remaining useful life of 80% (percent good) or 100%-20%.

$2,500 (Fair Market Value) x.80 (Percent Good) = $2,000 Depreciated Value.

What is Assessed Value?

An Assessed Value represents a percentage of the fair market value. It is the basis of what you will be taxed. It does **not** represent the amount of taxes owed.

In the state of Connecticut, the percentage is set at 70%.

How to Calculate the Assessed Value

Multiply the depreciated value by 70% assessment ratio set by the state.

Using the previous example of the desk purchased from Lillian August for $2,500 in September of 2022, the assessed value would be:

$2,500(Fair Market Value) x.8 (Percent Good) = $2,000 Depreciated Value

$2,000 (Depreciated Value) x .70 (Assessment ratio) = $1,400 Assessed Value

What is a Mill Rate?

A mill rate is used to calculate property taxes based on the assessed value of property.

One mill is expressed as $1 dollar in taxes per $1000 in assessment.

For example, 34.68 mills represents $34.68 in taxes for every $1,000 in assessment.

To convert a mill rate to decimal you divide by 1,000.

34.68 (Mill Rate)/1000 (Mills) = .03468

How to Calculate Taxes?

Taxes are calculated by multiplying the mill rate by the assessed value.

Using the current mill rate of 34.68 and the previous Lillian August desk purchase, the taxes would be calculated as follows:

$2,500 (Fair Market Value) x .8 (Percent Good) = $2,000 Depreciated Value

$2,000 (Depreciated Value) x .70 (Assessment Ratio)= $1,400 Assessed Value

$1,400 (Assessed Value) x .03468 (Mill Rate) = $48.55 Taxes

What is an Assessment Year v. Fiscal Year?

- An assessment year begins annually every October 1st through September 30th.
- All property value is assessed as of October 1st.
- If assets were in Trumbull as of October 1st, the assessment is for the entire assessment year.
  - Personal Property is not subject to any prorations.
- A fiscal year is the year the budget period is effective.
- The Town's fiscal year runs July 1st through June 30th.
- Personal property is billed annually on July 1st, but taxpayers have the option to pay in two installments - July 1st and January 1st.

Class Code Definition & Description

Class Code #	Class	Description
9	Motor Vehicles	Unregistered motor vehicles (e.g. campers, trucks, passenger cars, nonfarm tractors, RV's, [snowmobiles, residential utility trailers, ATVs – not for sole personal use]) including any vehicle garaged in Connecticut but registered in another state, or any such vehicle not registered at all.
10	Manufacturing, Machinery and Equipment	Industrial or manufacturing machinery and equipment the owner claims or claimed on a federal income tax return as three-year property (e.g., tools, dies, jigs, patterns, etc.) or ten-year or greater property (i.e., property that has a class life of more than 16 years). Include air and water pollution control equipment, regardless of its class life.
11	Horses or Ponies	Describe horses and ponies. A $1,000 assessment exemption per animal will be applied. If you are a farmer, the exemption is 100% provided Form M-28 is filed with and approved by the Assessor
12	Commercial Fishing Apparatus	All fishing apparatus exclusively used by a commercial fisherman in his business (e.g., fishing poles, nets, lobster pots, fish finders, etc.). A $500 value exemption will be applied.
13	Manufacturing Machinery/Equipment	Manufacturing machinery and equipment used in manufacturing, used in research or engineering devoted to manufacturing, or used for the significant servicing or overhauling of industrial machinery or factory products.
14	Mobile Manufactured Homes	If not currently assessed as real estate.
16	Furniture, Fixtures and Equipment	Furniture, fixtures, and equipment of all commercial, industrial, manufacturing, mercantile, trading, and all other businesses, occupations, and professions. Examples: desks, chairs, tables, file cabinets, typewriters, calculators, copy machines, telephones (including mobile telephones), telephone answering machines, facsimile machines, postage meters, cash registers, moveable air conditioners, partitions, shelving display racks, refrigerators, freezers, kitchen equipment, etc.
17	Farm Machinery	Farm machinery (e.g., tractors, harrows, bush hogs, hay bines, hay rakes, balers, corn choppers, milking machines, milk tanks, coolers, chuck wagons, dozers, back hoes, hydroponic farm equipment, aquaculture equipment, etc.), used in the operation of a farm.
18	Farm Tools	Farm tools, (e.g., hoses, rakes, pitch forks, shovels, brooms, etc.).
19	Mechanics Tools	Mechanics tools (e.g., wrenches, air hammers, jacks, sockets, etc.)
20	Electronic Data Processing Equipment (EDP)	Electronic data processing equipment e.g., computers, printers, peripheral computer equipment, and any computer-based equipment acting as a computer as defined under Section 168 of the IRS Code of 1986, etc. Bundled software is taxable and must be included.
21a	Telecom Equipment not Tech Advanced	Mechanics tools (e.g., wrenches, air hammers, jacks, sockets, etc.)
21b	Telecom Equipment Tech Advanced	Telecommunication equipment including controllers & control frames, relays switching & processing equipment, or any other equipment deemed technologically advanced by the Assessor.
22	Cables, conduits, pipes, poles	Cables, Conduits, Pipes, Poles, Towers if not currently assessed as real estate, underground mains, wires, etc., of gas, heating, energy producing or telephone companies, water and waterpower companies. Included
23	Expensed Supplies	The average monthly quantity of supplies normally consumed during course of business (e.g., stationery, post-it notes, toner, computer disks, computer paper, pens, pencils, rulers, staplers, paper clips, medical & dental supplies, etc..
24a	All Other Goods, Chattels, and Effects/Leasehold Improvements (LHI)	Any other taxable personal property not previously mentioned or which does not appear to fit into any of the other categories. (E.g. video tapes, vending machines, pinball games, video games, signs, billboards, coffee makers, water coolers, leasehold improvements other than realty, etc.)

Class Code Reporting Examples

Item	Code	Description
Cell Phone/Telephone	16	Equipment
Desk/Chair	16	Furniture
Filing Cabinet	16	Furniture
Copier	16	Equipment
Calculator/Cash Register	16	Equipment
Coffee Machine	16	Equipment
Printer	16	Equipment
Computer/laptop	20	EDP
Business Cards/Invoices/Stationary	23	Supplies
Lighting	24a	LHI/Other
Specialty Equipment	24a	LHI/Other
Fencing	24a	LHI/Other
Tenant Improvements	24a	LHI/Other

How to Complete Tables Example

Example of how to complete the tables on pages 5 and 6

How should the following be declared?

June 2018, you bought a desk for $800 and a chair for $200. You have a filing cabinet and printer that you bought 10 years ago for $2000 that is being used in your business.

See the table to the right for the answer.

#16 - Furniture, fixtures and equipment

Year Ending	Original cost, trans-portation & installation	% Good	Depreciated Value
10-1-19		95%	
10-1-18	1000	90%	900
10-1-17		80%	
10-1-16		70%	
10-1-15		60%	
10-1-14		50%	
10-1-13		40%	
Prior Yrs	2000	30%	600
Total	3000	Total	1500

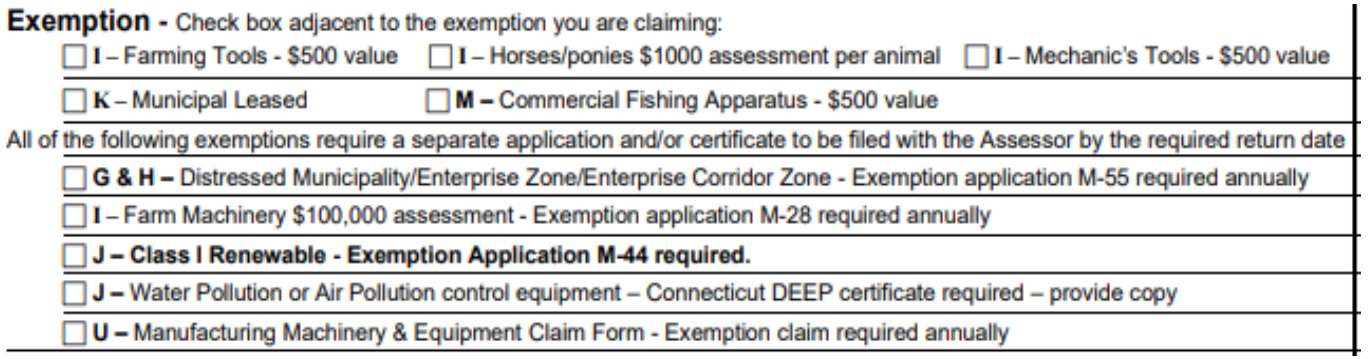
Assessor's Use Only

#16	1500

Page 7 - Exemptions

- At the bottom of page 7, check the appropriate box you are claiming an exemption.
- The following exemptions require a separate application and/or certificate to be filed with the Assessor by the required due date:

1. Water Pollution or Air Pollution control equipment – copy of CT Deep Certificate required
2. Farm Machinery 100,000 assessment – form M28 required annually.
3. Class 1 Renewable – Form M-44 required
4. Manufacturing Machinery & Equipment (MME) required annually.



Exemption - Check box adjacent to the exemption you are claiming:

☐ **I** – Farming Tools - $500 value ☐ **I** – Horses/ponies $1000 assessment per animal ☐ **I** – Mechanic's Tools - $500 value

☐ **K** – Municipal Leased ☐ **M –** Commercial Fishing Apparatus - $500 value

All of the following exemptions require a separate application and/or certificate to be filed with the Assessor by the required return date

☐ **G & H –** Distressed Municipality/Enterprise Zone/Enterprise Corridor Zone - Exemption application M-55 required annually

☐ **I** – Farm Machinery $100,000 assessment - Exemption application M-28 required annually

☐ **J – Class I Renewable - Exemption Application M-44 required.**

☐ **J –** Water Pollution or Air Pollution control equipment – Connecticut DEEP certificate required – provide copy

☐ **U –** Manufacturing Machinery & Equipment Claim Form - Exemption claim required annually

Signature Required

- The owner's signature is required.
- The owner's agent may sign the declaration but must be duly sworn or notarized.
- Corporate officers signing for their corporation must comply in same manner as an agent or provide the Assessor with a statement bearing the corporate seal with corporate secretary signature stating office and dates held by the signer.

When are Penalties Incurred?

Penalties of **25%** are applied when the following circumstances occur:

- When no declaration is filed (Assessor also retains right to estimate value);
- When a declaration is not signed;
- When declarations are received late (after November 1st);
- When declarations are not filed by the granted extension date;
- When omitted property is discovered(audit, field check, etc..), the penalty is applied to the difference in the assessed value of the omitted property and the originally declared assessment.

Audits

The Assessor is authorized to audit declarations, within 3 years of the date of the required filing. Substantial penalties are applicable if such an audit reveals property not declared as required by law.

When are Assessment Notices Mailed?

- They must be mailed within 10 days of signing the Grand List.
  - The Grand List is signed by January 31st unless a one-month extension is granted.
  - Assessment notices show what your current assessment is, along with rights to appeal. **This is not a tax bill**.
  - Tax bills are mailed in June and due July 1st.

How to Appeal?

If a taxpayer disagrees with their assessment, they may file an appeal with the Board of Assessment Appeals (BAA) in the following sequence:

- File by February 20th on Assessor's prescribed form found online or contact the Assessor's office for an application, unless an extension to sign the Grand List has been given, then March 20th.
  - If February 20th falls on a weekend or holiday, it must be received in the office by close of business the preceding date.
  - Appeal forms must:
    - Be completed and signed in entirety;
    - Contain all supporting documents; AND
    - Be **received by** close of business on or before the due date.
    - Be mailed or hand delivered. Emailed appeals are **not** accepted.
      - US Postmark dates are **not** accepted as on time.

What to Expect after Filing an Appeal with the BAA?

- BAA hearings are held in March (April if extension granted to sign the Grand List).
- Appellant hearing dates/times will be noticed by mail.
- Copies of appeal with supporting documentation should be provided at the hearing. The Board will not make copies for the appellant.
- If an agent will be appealing on the appellant's behalf, a completed affidavit for agent must be attached to the appeal form or presented at the hearing.
- If the appellant is dissatisfied with the BAA's decision, they may file an appeal with Superior Court within two months of the date the decision was mailed.
- Personal Property Appeals that are granted or denied are effective for one assessment year.

Calendar Dates

- September : Personal Property Filing notices mailed with online access codes.
- October 1st : Assessment date property is valued.
- October 1st – September 30th : Assessment year.
- November 1st : Personal Property Declarations due.
- November 1st : Extension requests due date.
- January 31st : Grand List signed (February if one month extension granted).
- February 10th : Assessment notices must be mailed.
- February 20th : Appeals must be filed (March 20th if extension to sign Grand List).
- March: BAA hearings held (April if one month extension to sign Grand List).

Key Points to Remember

- Personal Property Filings are required for business owners, farmers, owners of unregistered or out-of-state vehicles, and horse owners.
- Personal Property must either be filed:
  - Online via Tax Assessor's website using access code mailed in September
  - Paper Filing must use prescribed form that is mailed or hand-delivered. No metered mail.
- 25% penalties for late/non-filers, unsigned forms, omitted property discovered during audits or field inspections, and other sources.
- The Assessor can audit filings within 3 years (including non-filers).
- If you disagree with an assessment, file an appeal by February 20th (March 20th if an extension to sign Grand List)

Thank You!
Any questions unanswered, please contact the taxassessor@trumbull-ct.gov or 203.452.5016

Q&A Opportunity

A recording of this evening's webinar along with a copy of this presentation will be made available on the Town of Trumbull website by 3/19/25:

https://www.trumbull-ct.gov/661/Events

If we are unable to answer your questions this evening, we welcome you to reach out to the Town of Trumbull Tax Assessor Office at:

taxassessor@trumbull-ct.gov or 203.452.5016