

Board of Assessment Appeals
Town of Oxford
Regular Meeting

April 14, 2016

The meeting was called to order at 7:00 p.m.

Members Present: Linda Czaplinski, Ann Krane, Ed Carver

Pre-Hearing Discussion:

Ed Carver asked a question on the Haynes appeal for this evening. He would like to know if this is all equipment from this year and past years that we will be hearing tonight. Linda Czaplinski stated yes, from 2012, 2014, and 2015. Linda stated that Liz from the Assessor's office gave her all the information, and everyone has the handouts. Linda recapped this appeal. Usually you can appeal the current year, but they are eligible for personal property for previous years, since the town auditor went through their documentation and found a problem with the depreciation schedule. They went back and the Assessor adjusted the prior year since an adjustment was made. They were taking a depreciation of 6 years, instead of a 5 or 7 year. For 2015, the assessor's office did not know the nature of the appeal, but believes it is related to depreciation. Ed had stopped by the Assessor's office and they stated that Haynes had filed the wrong documents. It was noted that Mr. Haynes will not be coming in this evening; he will be represented by Deborah Judson. When the documentation passed through prior years, the error in the depreciation cycle was missed in the Assessor's office. The auditor went through it and corrected the mistake. We will be listening to everything that is said when they come in.

It was also noted that all of the people with motor vehicle appeals did not have the type of vehicle listed. Linda Czaplinski stated that if they would have come in, they would have brought in the make and model and description, and we would have looked through the NADA books. All of the appellants that pulled out must have read the process document that was sent to all of the appellants and did not feel the need to come in after reading that document. The last Board devised this document to help clarify how the assessment is made. This will be a very useful tool.

Amendments to Agenda:

MOTION:

Linda Czaplinski moved to amend the agenda to add approve the minutes from Monday, April 11, 2016. Also, time permitting, to have preliminary discussion on appeals that we have heard. This was seconded by Ed Carver. All 3 Ayes. Motion carries.

Discussion:

Linda Czaplinski had a few corrections to the minutes. Lynda did not know what Vinnie's last name was on page 4 under the appeal of Brian Botti. Linda stated that his name is Vinnie Guardiano. Correction to page 1 under appeal of Charmane Howell-McCalla, fourth sentence down, remove "and the taxes do not move with the value of the house." Leave in the first part of the sentence. On page 3, under appeal of Hertzmark, third paragraph under discussion, after Linda spoke with the Assessor, change to "the level of detail in the assessments were explained". Also, after that sentence where it states picking 2 of the higher assessment homes should read "assessed" homes, and two lower "assessed" homes Also, on page 3, same paragraph, 2nd line, all of the "modes" should read "models".

MOTION

Linda Czaplinski moved to accept minutes as amended. This was seconded by Ed Carver. All 3 Ayes. Motion carries.

Deliberations:

Regarding the appeal of Mr. Crumley, Linda Czaplinski stated he called and said he wanted to withdraw his appeal since he is not up to doing the additional work. Linda stated that we will respond to him that we will review it without the additional information.

Regarding appeal of Logie, Linda Czaplinski stated he did not show and she has not heard from him.

Documents were received from Mr. Biondi on the title. We will make copies for everyone.

Linda Czaplinski stated that she did get a response from the Assessor regarding the questions we had. Eva gave us information on these questions which will need to be copied for everyone. Linda asked if we should make copies now or wait until later. Ed suggested that we will have Lynda copy them for deliberations on Monday. Ed Carver has copies of information for the Catlin appeal. Linda asked if we really need them, or can we wait and make copies if needed after we hear his appeal. This appeal is a personal property appeal and missed the deadline for filing. This is the one that the Assessor has agreed to reduce his penalty. If he does not come in we do not have to do anything for him. Mr. Catlin wanted to know about the exemption. Linda told him that even if we can't help him, he should come in. Mr. Catlin cannot amend or file anything now. Since he did not file, we will use the previous year's assessments. Mr. Catlin's other concern was that he might lose his farm status. After deliberating, we can make a recommendation to not miss these filings.

At the April 5th meeting, there was nothing for the Appeal of Kendal, they cancelled. Appeal of Chinitz – Ann Krane will make up a spread sheet for the 5 appeals at Oxford Greens with all the assessments and sales.

There was no objection to doing the appeal for Holub early as he arrived ahead of schedule.

APPEALS

Appeal of Paul G. Holub – appeal of office equipment

Mr. Holub was sworn in and made the following appeal. He had taken a look at his taxes, and wanted to get an understanding about taxes on his office equipment. He stated that nothing has changed in years. His prior assessments have been \$540 for years, and this year it went up to \$680. Ann asked if the equipment depreciated over the years. It was the same over the last several years.

The information from the Assessor's office has not changed but the declaration was submitted late. With personal property there is a declaration that needs to be filed, and it was late, so the State mandates that there is a 25% penalty. Linda Czaplinski stated the assessment remained the same except for the penalty and that is where the increase is. Mr. Holub realized it was late and didn't realize about the penalty. He stated office equipment does depreciate, and there is a list of 5 years, 4 years, and it was higher previous years, then it remained the same for several years. His taxes are a minimal fee.

The Board raised the question regarding depreciation, and would like to ask the Assessor if office equipment depreciates or maybe it comes to a salvage value, or does it as some point go down to 0. Linda stated that this is not applicable since it is not part of this appeal. Ed recommended to Mr. Holub to stop in to the Assessor and ask about the depreciation. All he wanted to know is why he got an upcharge, and now he knows. Linda stated that to Ed's point, depreciation and the actual value is not part of what we are charged with at this discussion, but if there is an error, the Board can take a look at it. At some point it might go down to 0, since it does depreciate, but he would need to ask the Assessor that question. Linda stated to Mr. Holub that if he has a question, he can go to the website and look at the information as to what goes into the assessment, or he can ask his questions to the Assessor.

Mr. Batkis appeal was moved to April 25, 2016. Andrea Molett's appeal was heard last evening.

Appeal of Haynes Materials, 278 Oxford Rd/ 3 Echo Valley Road/ 300 Oxford Road

Deborah Judson was sworn in. She is appealing 2015, and 2012 & 2014 together. Ms. Judson reviewed one piece of equipment from the 2015 appeal for Haynes equipment. On the 2015 appeal, it shows what she is hoping for. It's depreciated to \$91,080 at 70% with an adjustment to \$63,756. If you go down to 10-1-13, you see the amount of \$113,850. The backup is on page #5 of the depreciation schedule (the Federal tax form) about half way down #HAYN000632, a 2006 Caterpillar 980H Rubber Tired Loader, the book cost is \$113,850, and can see clearly it says 5 years on the Federal Tax Depreciation Expense (Depreciation) sheet, page 5. This schedule is

correct. Somehow Haynes copied it to this report as a 6 year, but it was really 5. This is a 5 year manufacturing item, but they had submitted the wrong schedule and coded it as a 6 year life piece of equipment. The Assessor noted it was 6 years per Haynes sheet, which was an error and it should be 5, and they were denied that exemption because the filing was incorrect. It is just a depreciation value. On the Federal schedules it is being depreciated for 5 years. Local is on the other sheet. It is a 5 year manufacturing depreciation for this one item. The assessor looked at this schedule, and rightly so, which listed the equipment, and this one piece of equipment was listed as a 6 instead of a 5. Ms. Judson stated this was a typo, and that their official schedule is the Federal schedule. Internally, they have a list with each tax declaration. Depreciation is based on the year of purchase. They do get an exemption for manufacturing equipment.

Regarding the 2012 & 2014 appeals. They were audited this year, and when they were asked for their depreciation schedule, she was in the middle of something else, and unfortunately they sent the wrong schedule, they sent the internal book schedule instead of the Federal Depreciation schedule. Ms. Judson explained the differences between the internal book depreciation costs and the Federal depreciation costs. There are always two sets of records for each company. In the previous example on the books it was 6 for this certain piece of equipment, but federal it's 5. The costs are the same on both schedules. For Federal taxes, sometimes there is bonus depreciation. She is looking for it to be corrected. If they were to recalculate it properly, then there would be an additional adjustment. This is the full list so you can see that it is either 5 or 7 years.

In summary, they submitted the wrong schedules and assessed a different value. Linda Czaplinski stated that we have the Federal schedule in our packet. There is another concern Ms. Jordon has. She discussed her concern regarding the report from the auditor for 2012. Looking at his report, there are 2 different pieces of equipment here. She looked at the return that was filed with the town, and the page that they filed, had item #10 as \$369,000 and under item #13 as \$2,375,000. The auditor has something different. She had a handout from the Auditor, and looking at item #10 Manufacturing machinery & equipment not eligible under CGS 12-81 (72) & (76) for exemption and Item #13 Manufacturing machinery & equipment eligible under CGS 12-81 (76) for exemption – also complete exemption claim, what they filed originally was \$369,996.00 and #13 original was \$2,375,134 and the Auditor was #10 for \$954,019; and #13 was \$1,141,665. That does not get you to what she filed. There is a difference and they have to add up the same. What did the auditor have for his numbers? She was not even questioning that, but just noticed it while reviewing it before she came here tonight. Essentially he didn't account for it, but the record should be correct. For the 2012 year, they lost some equipment. #10 and #13 the total of the equipment should match. The auditor's document does not foot to the changes. There is an error in his audit; he lost \$649,000 worth of equipment. 2012 is being requested as an adjustment since Haynes submitted the wrong schedule. Ms. Judson wanted to mention it.

They are asking for recognition of the wrong schedule being sent in. It is the same equipment. In 2013, they did not do much in town so there was no appeal for that year since there was not much change in the assessment.

They would like to correct it from the six year life to 5 & 7 year life. For 2014, it is the same story, the wrong schedule was sent to the auditor, so he eliminated equipment that is truly 5 & 7 year life for property and manufacturing. On 2014, there was one piece of equipment that was 6 year and correctly re-categorized by the town.

Linda Czaplinski stated that we will be deliberating through the end of this month and Haynes Materials will get a notice sometime the beginning of May.

Discussion: Ed asked if this should have gone back to the Assessor. Linda stated that we definitely see some people that could have their questions answered by the Assessor. He understands they were refused their exemption because it was filed wrong and don't know if they get the exemption, and thought that this one should be one that should go back to the Assessor. Since they filed wrong, he doesn't know if this is one of those, and now that they pointed out that the numbers are wrong that it should go back to the Assessor. Linda will validate with the Assessor. They will need to provide some proof as to what they filed with the Federal government. We will need to draft the response very carefully. We need to be sure this was part of their Federal documents and that this is what they filed with their Federal statement. There is not only the problem with the exemptions, but there is another problem with the auditor. Somehow he misplaced something. She is just bringing the math error to our attention. Ed thought we needed to get it clarified. There was nothing else in the documents. Linda will validate Ed's question with Eva. Haynes is allowed to appeal because of the audit, as opposed to saying they want an adjustment. Haynes is not coming to us as to the value of something, it is to get the exemptions. There are different guidelines for different situations. Linda gave an example to see if it can clarify this appeal. It was our auditor that audited this. When our staff reviewed the documentation, they missed the fact that it had a 6 year depreciation, and according to the Federal schedule it should be a 5 year schedule. We went back to Haynes. They saw that they sent the wrong information, so this is why they are appealing because the Assessor's office stated they have to go through the appeal process. Ed wants to know if it is in our scope to say yes someone made an error. Ann stated that if it just clerical stuff, she is not familiar with this information on equipment. When we deliberate, and feel that the Haynes request has merit, we can submit that it goes back to the Assessor. We are not comfortable rendering a decision since there are still questions. There are dollar amounts associated with those exemptions, and if we restore their exemptions, are we supposed to give dollar amounts, and how do we know if the amounts are correct? The dollar amounts will be up to the assessor. This will be pending until more information from the Assessor is received. Ms. Judson did state that they did make a mistake and filed incorrectly since they used the books schedules instead of the Federal schedules. The auditor denied the exemptions, and they are asking now to restore the

exemptions, and it is left up to the Assessor to determine the amounts. The error was made in their favor and the town is correcting it. It worked in Haynes favor only because when they submitted it, the town did not catch it. They made the same type of mistake in both these years.

The Board needs to review all of the appeals and review all of the Oxford Greens together. Ann Krane will create a spread sheet for the Oxford Greens, since Ann is more knowledgeable about Oxford Greens. We will just be deliberating on Monday, April 18th.

MOTION:

Ed Carver moved to adjourn the meeting at 8:40 p.m. This was seconded by Linda Czaplinski. All 3 Ayes. Motion carries.

Respectfully submitted,

Linda Czaplinski

Linda Czaplinski,
Chairman, Board of Assessment Appeals.

16 APR 22 AM 11:42
TOWN OF OXFORD, CT
Margaret H. West
TOWN CLERK