

# Business Personal Property Exemptions

## Manufacturing Machinery and Equipment Exemption

A 100% exemption is available for eligible manufacturing machinery and equipment (MME). Machinery and equipment means tangible personal property which is installed in a manufacturing facility and claimed on the owner's federal income tax return as either five-year property or seven year property, as those terms are defined in section 168 (e) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and the predominant use of which is for manufacturing, processing or fabricating; for research and development, including experimental or laboratory research and development, design or engineering directly related to manufacturing; for the significant servicing, overhauling or rebuilding of machinery and equipment for industrial use or the significant overhauling or rebuilding of other products on a factory basis; for measuring or testing or metal finishing; or used in production of motion pictures, video and sound recordings.

The form must be filed on or before November 1, annually with the municipal Assessor by any person seeking the exemption provided under CGS 12-81(72) or 12-81(76).

The exemption claim form must accompany the Personal Property Declaration filed annually in order to properly receive the exemption.

Please note all forms must be filled out and signed along with an itemized list. The Assessor's office must receive the itemized list in order for the exemption to be applied.

The Assessor is authorized to audit Personal Property Declaration within 3 years of the date. Substantial penalties are applicable if such an audit reveals property not declared as required by law. (CGS 12-53)

## Air Pollution Control Equipment

Property acquired after July 1, 1967 for the reduction, elimination or control of pollution, is eligible for exemption **if certified by the Department of Environmental Protection (DEP)**. The exemption remains in effect as long as the equipment remains on site and is not altered in any manner. If such structure and equipment are altered in any manner a new certification must be submitted to the Assessor.

Owner is required to file the DEP Certification with the Assessor by November 1<sup>st</sup>.

### **Water Pollution Control Equipment**

Property acquired after July 1, 1965 for the treatment of industrial waste is eligible for exemption **if certified by the Department of Environmental Protection (DEP)**. The exemption remains in effect as long as the equipment remains on site and is not altered in any manner. If such structure and equipment are altered in any manner a new certification must be submitted to the Assessor.

### **Commercial Fishing Apparatus**

Commercial fishing apparatus may be exempt if the value exceeds \$500. All fishing apparatus actually and exclusively used in a commercial fishing operation.

### **Automotive Mechanics and Farming Tools**

Automotive Mechanics tools and Farming tools may be exempt if the value exceeds \$500. Mechanic tools actually used in the automotive trade. Examples: wrenches, air hammers, jacks, sockets etc. Do not include carpenter tools.

### **Farming tools**

Actually and exclusively used in the operation of a farm. Examples: rakes, pitch forks, shovel, hose, brooms etc.

### **Motor Buses**

Motor Busses used exclusively by common carrier transportation are exempt from property taxation. All other property of such companies including real estate and garages are taxable.