

TOWN OF CANTON – 2020 ANNUAL INCOME AND EXPENSE REPORT SUMMARY FORM

INSTRUCTIONS

Due to widespread inconsistency in reporting Income and Expense forms and information, it was necessary to revise our reporting forms and requirements in order to obtain uniformity and reporting. In prior years, an IRS document was accepted in lieu of completing the forms however, *commencing with this filing year*, everyone is required to complete **ALL** of the Income and Expense forms as well as to provide one of the IRS documents shown below ***in addition to; and not in lieu of*** the Income and Expense forms as supporting documentation.

INCOME AND EXPENSE REPORTING OVERVIEW: Connecticut General Statute (C.G.S.) Sections 12-63b & 12-63c require that the owner of any real property that produces *rental* income report the income and (operating) expenses *annually* to the Assessor in the month of May. Note: All information related to the actual rental and operating expenses of your property that you report ***is confidential and is not*** subject to public disclosure under the Freedom of Information statutes.

WHO NEEDS TO FILE: The law requires that ***the owner of the property*** is required to submit this information. ***If you are a tenant in the property and received this notice, please contact the Assessor's Office*** with the property owner's mailing address and we will send this information directly to the property owner.

WHAT TO FILE: Information relating to the (rental) income and (operating) expenses for the property for the preceding calendar year.

HOW TO FILE:

- 1) Complete the enclosed forms in their entirety (*incomplete or improperly completed forms will be returned and are subject to a penalty*).
- 2) **Supporting Documentation (new requirement)**
Attach a copy of one of the IRS documents listed below ***with and not in place of***, completed forms:
 - a. **Schedule E (Individual)** with Statements of other expenses (if used)
 - b. **Form 1120 (Corporation)** with Statements of other expenses (if used)
 - c. **Form 8825 (Partnership or S Corp)** with Statements of other expenses (if used)
 - d. **Audited tax return for 2020**
 - e. **Pro Formas; Financial or Income Statements will not be accepted.**
- 3) If a full 12 months of income and expense information is not available (i.e. the property was recently acquired) you are still required to file. Provide a complete list of all current tenants (Schedule B) and any operating expense information available.

WHEN TO FILE: All forms *and* required documentation must be received ***NOT LATER THAN TUESDAY, JUNE 1, 2021.***

EXTENSIONS: The Assessor *may* grant an extension of not more than thirty (30) days, *if there is good cause*. A **request for extension** must be made in writing; specify the reason an extension is needed; and **must be received not later than May 1, 2021**.

PENALTIES: A property owner failing to file or files incomplete or false information, is subject to a penalty equal to a **ten percent (10%) increase in the assessed value of such property** and will result in a 10% tax increase for the July 1, 2021 tax period.

THE 10% PENALTY CAN BE APPLIED FOR THE FOLLOWING REASONS:

- 1) When no forms are submitted.
- 2) When forms are incomplete or lack **all** of the required information.
- 3) When forms are received *after June 1st* and no extension was requested or granted.
- 4) When forms are filed without the required IRS documentation.
- 5) When forms are received without a signature.

*If the property is **100% owner-occupied AND no rent** is paid or received (and no IRS Form 1120, 8825 is not filed); sign and date at the bottom of Page 3 and indicate that the "100% owner-occupied and no rental income is generated". Owners of a **partially owner-occupied property** are still required to complete and file the income and expense forms.*

Please return completed forms and supporting documentation to:

*Assessor's Office
PO Box 168
Collinsville, CT 06022*

All forms are available on our webpage at:

<http://www.townofcantonct.org/content/19178/19210/default.aspx>

If you would like to confirm that your forms have been received, please call our office at (860) 693-7842 or send an email to Kerri Kazlauskas at: kerri@townofcantonct.org.

Thank you for your cooperation.

Sincerely,

Kerri Kazlauskas, CCMA II
Town Assessor