



General Assembly

January Session, 2019

Committee Bill No. 5644

LCO No. 6544



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

***AN ACT CONCERNING THE DEPRECIATION SCHEDULE FOR
COMMERCIAL CONSTRUCTION EQUIPMENT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 12-63 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2019, and applicable to assessment years commencing on and after*
4 *October 1, 2019*):

5 (b) (1) For the purposes of this subsection, (A) "electronic data
6 processing equipment" means computers, printers, peripheral
7 computer equipment, bundled software and any computer-based
8 equipment acting as a computer, as defined in Section 168 of the
9 Internal Revenue Code of 1986, or any subsequent corresponding
10 internal revenue code of the United States, as from time to time
11 amended; (B) "leased personal property" means tangible personal
12 property which is the subject of a written or oral lease or loan on the
13 assessment date, or any such property which has been so leased or
14 loaned by the then current owner of such property for three or more of
15 the twelve months preceding such assessment date; and (C) "original
16 selling price" means the price at which tangible personal property is

17 most frequently sold in the year that it was manufactured.

18 (2) Any municipality may, by ordinance, adopt the provisions of
19 this subsection to be applicable for the assessment year commencing
20 October first of the assessment year in which a revaluation of all real
21 property required pursuant to section 12-62 is performed in such
22 municipality, and for each assessment year thereafter. If so adopted,
23 the present true and actual value of tangible personal property, other
24 than motor vehicles not provided for in subdivision (6) of this
25 subsection, shall be determined in accordance with the provisions of
26 this subsection. If such property is purchased, its true and actual value
27 shall be established in relation to the cost of its acquisition, including
28 transportation and installation, and shall reflect depreciation in
29 accordance with the schedules set forth in subdivisions (3) to (6),
30 inclusive, of this subsection. If such property is developed and
31 produced by the owner of such property for a purpose other than
32 wholesale or retail sale or lease, its true and actual value shall be
33 established in relation to its cost of development, production and
34 installation and shall reflect depreciation in accordance with the
35 schedules provided in subdivisions (3) to (6), inclusive, of this
36 subsection. The provisions of this subsection shall not apply to
37 property owned by a public service company, as defined in section 16-
38 1.

39 (3) The following schedule of depreciation shall be applicable with
40 respect to electronic data processing equipment:

41 (A) Group I: Computer and peripheral hardware, including, but not
42 limited to, personal computers, workstations, terminals, storage
43 devices, printers, scanners, computer peripherals and networking
44 equipment:

T1		Depreciated Value
T2		As Percentage
T3	Assessment Year	Of Acquisition

T4	Following Acquisition	Cost Basis
T5	First year	Seventy per cent
T6	Second year	Forty per cent
T7	Third year	Twenty per cent
T8	Fourth year and thereafter	Ten per cent

45 (B) Group II: Other hardware, including, but not limited to, mini-
46 frame and main-frame systems with an acquisition cost of more than
47 twenty-five thousand dollars:

T9		Depreciated Value
T10		As Percentage
T11	Assessment Year	Of Acquisition
T12	Following Acquisition	Cost Basis
T13	First year	Ninety per cent
T14	Second year	Sixty per cent
T15	Third year	Forty per cent
T16	Fourth year	Twenty per cent
T17	Fifth year and thereafter	Ten per cent

48 (4) The following schedule of depreciation shall be applicable with
49 respect to copiers, facsimile machines, medical testing equipment, and
50 any similar type of equipment that is not specifically defined as
51 electronic data processing equipment, but is considered by the assessor
52 to be technologically advanced:

T18		Depreciated Value
T19		As Percentage
T20	Assessment Year	Of Acquisition
T21	Following Acquisition	Cost Basis
T22	First year	Ninety-five per cent
T23	Second year	Eighty per cent
T24	Third year	Sixty per cent

T25	Fourth year	Forty per cent
T26	Fifth year and thereafter	Twenty per cent

53 (5) The following schedule of depreciation shall be applicable with
 54 respect to machinery and equipment used in the manufacturing
 55 process:

T27		Depreciated Value
T28		As Percentage
T29	Assessment Year	Of Acquisition
T30	Following Acquisition	Cost Basis
T31	First year	Ninety per cent
T32	Second year	Eighty per cent
T33	Third year	Seventy per cent
T34	Fourth year	Sixty per cent
T35	Fifth year	Fifty per cent
T36	Sixth year	Forty per cent
T37	Seventh year	Thirty per cent
T38	Eighth year and thereafter	Twenty per cent

56 (6) The following schedule of depreciation shall be applicable with
 57 respect to all tangible personal property, other than that described in
 58 subdivisions (3) to (5), inclusive, of this subsection, and all machinery
 59 and equipment, including any motor vehicle, used for commercial
 60 construction purposes:

T39		Depreciated Value
T40		As Percentage
T41	Assessment Year	Of Acquisition
T42	Following Acquisition	Cost Basis
T43	First year	Ninety-five per cent
T44	Second year	Ninety per cent
T45	Third year	Eighty per cent

T46	Fourth year	Seventy per cent
T47	Fifth year	Sixty per cent
T48	Sixth year	Fifty per cent
T49	Seventh year	Forty per cent
T50	Eighth year and thereafter	Thirty per cent

61 (7) The present true and actual value of leased personal property
62 shall be determined in accordance with the provisions of this
63 subdivision. Such value for any assessment year shall be established in
64 relation to the original selling price for self-manufactured property or
65 acquisition cost for acquired property and shall reflect depreciation in
66 accordance with the schedules provided in subdivisions (3) to (6),
67 inclusive, of this subsection. If the assessor is unable to determine the
68 original selling price of leased personal property, the present true and
69 actual value thereof shall be its current selling price.

70 (8) With respect to any personal property which is prohibited by
71 law from being sold, the present true and actual value of such property
72 shall be established with respect to such property's original
73 manufactured cost increased by a ratio the numerator of which is the
74 total proceeds from the manufacturer's salable equipment sold and the
75 denominator of which is the total cost of the manufacturer's salable
76 equipment sold. Such value shall then be depreciated in accordance
77 with the appropriate schedule in this subsection.

78 (9) The schedules of depreciation set forth in subdivisions (3) to (6),
79 inclusive, of this subsection shall not be used with respect to
80 videotapes, horses or other taxable livestock or electric cogenerating
81 equipment.

82 (10) If the assessor determines that the value of any item of personal
83 property produced by the application of the schedules set forth in this
84 subsection does not accurately reflect the present true and actual value
85 of such item, the assessor shall adjust such value to reflect the present
86 true and actual value of such item.

87 (11) Nothing in this subsection shall prevent any taxpayer from
88 appealing any assessment made pursuant to this subsection if such
89 assessment does not accurately reflect the present true and actual
90 value of any item of such taxpayer's personal property.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019, and applicable to assessment years commencing on and after October 1, 2019</i>	12-63(b)

PD *Joint Favorable*