

TAXPAYERS' ADVOCATE

P.E. Pennington & Co. Results for Taxing Problems

Dallas, Texas

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- Filing a Sec. 25.25(d) late appeal for tax year 1997 of a personal property assessment on leased equipment resulted in a tax refund of approximately **\$120,000**.
- 1998 reduction of personal property assessment of medical supplies manufacturer from a proposed value of \$22,741,853 to \$1,604,418, resulting in a tax savings of approximately **\$528,000**, representing the largest reduction in value in Company history.
- Using a provision from the Texas Property Tax Code, (Sec.25.25)(c)(3), we successfully recovered well over **\$100,000** in refunds over the past five years for a truck leasing firm.
- Approximately a **\$25,000** tax reduction based on the successful demonstration of the exemption of tax credits on a West Texas low-income multi-family project in 1998. This was repeated in both Tarrant and Dallas counties.

• OFFICE:

- 60,000 square foot office building – Value reduction resulted in approximately **\$45,000** in tax savings
- 125,000 square foot office building – Value reduction resulted in approximately **\$52,000** in tax savings
- 205,000 square foot office building – Value reduction resulted in approximately **\$62,000** in tax savings
- 104,000 square foot office building – Value reduction resulted in approximately **\$62,000** in tax savings
- 51,450 square foot office building - Value reduction resulted in approximately **\$14,000** in tax savings

• APARTMENTS:

- 286 units -Value reduction resulted in approximately **\$94,000** in tax savings
- 152 units -Value reduction resulted in approximately **\$11,000** in tax savings
- 204 units -Value reduction resulted in approximately **\$31,700** in tax savings
- 388 units -Value reduction resulted in approximately **\$28,100** in tax savings
- 192 unit - multi-family property - Value reduction resulted in approximately **\$31,000** in tax savings
- 198 unit - multi-family property – Value reduction resulted in approximately **\$37,000** in tax savings
- 195 unit - multi-family property – Value reduction resulted in approximately **\$28,000** in tax savings
- 66 unit - multi-family property - Value reduction resulted in approximately **\$12,000** in tax savings

NATIONAL PROPERTY TAX CALENDAR

State	PP Return Deadline	RE Appeals Deadline	State	PP Return Deadline	RE Appeals Deadline
CA	4/1	9/15	SC	4/15	
FL	4/1		TX	4/15	5/31
GA	4/1	4/1	DC	4/15	
LA	4/1	4/1	AL	4/19	
MN	4/1		SD	EXEMPT	4/19
MS	4/1		MO	4/30	6/21
VT	4/20	4/1	WA	4/30	5/1
NC	4/5		AZ	5/1	
HI	4/8		ID	3/15	5/1
ND	4/12		NE	5/1	4/1
CO	4/15	5/27	OK	3/15	5/3
KS	4/15		WI	3/1	5/10
KY	4/15	5/31	IA	5/15	4/15
MD	4/15		IN	5/15	
ME	4/15		WY	4/1	5/25
OH	4/15		AR	5/31	
			VA	5/31	

P.E. Pennington & Co., Inc. is a regional firm with expertise in all types of Commercial Real Estate, Residential Real Estate, Personal Property, Intangible Value and out source compliance needs.

License # 00001516

Texas Department of Licensing and Regulation
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P.E. PENNINGTON & COMPANY, INC.
PROPERTY TAX CONSULTING

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Office Hours: 7:00 a.m. to 6:00 p.m. Monday – Friday

P.E. Pennington & Company

265 unit - multi-family property – Value reduction resulted in approximately \$27,250 in tax savings

232 unit - multi-family property – Value reduction resulted in approximately \$19,500 in tax savings

• **RETAIL:**

96,119 square foot retail property – Value reduction resulted in approximately \$50,000 in tax savings

114,331 square foot retail property – Value reduction resulted in approximately \$88,300 in tax savings

60,482 square foot retail property – Value reduction resulted in approximately \$6,400 in tax savings

• **INDUSTRIAL:**

33,740 square feet - Value reduction resulted in approximately \$17,000 in tax savings

• **CAR WASH:**

6,786 square feet – Value reduction resulted in approximately \$12,400 in tax savings

6,815 square feet – Value reduction resulted in approximately \$9,500 in tax savings

• **LAND:**

18.537 acres – Value reduction resulted in approximately \$30,620 in tax savings

11.716 acres – Value reduction resulted in approximately \$60,000 in tax savings

28.388 acres – Value reduction resulted in approximately \$35,520 in tax savings

• **RESTAURANT:**

7,134 square feet – Value reduction resulted in approximately \$5,200 in tax savings

10,244 square feet – Value reduction resulted in approximately \$7,700 in tax savings

7,500 square feet – Value reduction resulted in approximately \$5,100 in tax savings

F.Y.I.

*"Texas may one day have a contiguous metropolitan area stretching from Longview-Marshall in the northeast, to Sherman-Denison to the north, to San Antonio on the south, to Beaumont-Port Arthur on the southeast."

* January issue of *Tierra Grande*, journal of The Real Estate Center at Texas A&M University.

I WANT PROPERTY TAX RELIEF.....

The key to a successful property tax appeal is directly related to the amount of communication and the exchange of information between the taxpayer and the property tax consultant. This would apply to Industrial, Multi-Family, Office, Retail and Business Personal Property. For example, a professional and sound appeal should have some or all of the following issues addressed:

- 1.The sales comparison approach to value.
- 2.The income approach to value.
- 3.The cost approach to value.
- 4.The comparison of assessments of like properties.
- 5.Identifying any intangible value.
- 6.Separating real and personal property.
- 7.Identifying any environmental issues.
- 8.A search for any double assessments.
- 9.A search for any clerical errors on the tax roll.
- 10.Application for any available exemptions.
- 11.Application for any available abatements.
- 12.Identify any deed or use restriction.

TEXAS PROPERTY TAX UPDATES

The Texas Property Tax Code (Code) has been amended in several areas which might be noteworthy in considering your tax liabilities. For example, Chapter 23 of the (Code) has been amended in that appraisal districts must comply with the Uniform Standards of Professional Appraisal Practices (USPAP). Specifically, the Chief Appraiser must now consider the income, cost and sales comparable approach to value. This would apply to all tangible real and personal property. Furthermore, Section 41.43 has shifted the burden of proof, as it relates to tax value appeals, to the appraisal district. Failing to meet this burden could result in valuation appeals in favor of the protesting taxpayer.

The taxpayer should also be aware that certified assessments may be corrected after the June 1 appeal deadline. Sections 25.25(c), (d) and (h) generally deal with late appeals as it relates to corrections of the appraisal roll (roll). Section 25.25(c) deals with clerical errors, multiple appraisals, and property that does not exist in the form or location described on the roll. Said motion can be filed any time before the end of five years after January 1 of the tax year. Section 25.25(d) must be filed prior to the delinquency date and it must be proven that the error on the roll exceeds by more than one third of

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the correct value. A successful appeal by a taxpayer will be assessed a 10% late correction penalty. Finally, a Section 25.25 (h) is a joint motion to correct the roll between the Chief Appraiser and the taxpayer, filed prior to the delinquency date. It should be noted that a successful filing of a (h) does not carry a 10% late correction penalty and should be filed in conjunction with a (c) to possibly avoid any late penalties.

Using the three approaches to value ie: a personal property fee appraisal versus assessment derived strictly through the cost approach, could be very cost effective. Additionally, provisions to correct errors to the roll can also be very beneficial to taxpayers in conjunction with USPAP and correcting errors after the protest deadline.

WELCOME NEW CLIENTS:

Kenneth Abbott, Corporate Square 1

Selwin Belofsky

Chuy's Comida Deluxe

Cowboy Cab Co., Inc.

First Gulf Development Corp.

Hermes of Paris, Inc.

HPA Partners, L.P.

Integrated Properties, Inc.

R. E. Janes Gravel Co.

Kaizen Foods, Inc.

Kingtex Inc.

Sang-Jin Lee

Monsouni, Inc.

Oasis Car Wash, Inc.

Pegasus Transportation Group

Sinclair Investment Group

Stanford Chemical I, Ltd.

Than Than Investments, Ltd.

76th Texas Legislature

Property Tax Relief

Senate Bill (S.B.) 4 included school property tax relief to all property owners. By dedicating more state funds to local school districts, the local school boards may lower school property tax rates. The bill also changed how school districts calculate their property tax rollback rate. (Effective September 1, 1999)

Property Appraisal

H.B. 2574 requires CADs to allocate to Texas the portion of the market value of an aircraft used for business purposes within the state. Currently, CADs allocate only commercial aircraft values, using a formula based on the number of departures from Texas compared to departures from other states. (Effective June 19, 1999)

S.B. 1435 expands the term "dealer's heavy equipment inventory" to include items of heavy equipment that are leased or rented and subject to a purchase option by the lessee or renter. "Sales price," for a lease or rental with an option to purchase, is defined as the total amount of the lease or rental payments plus any final consideration, excluding interest. A sale of heavy equipment occurs when the dealer transfers possession of an item of heavy equipment to the purchaser. (Effective January 1, 2000)

S.B. 1464 provides that if real property is appraised by a method that takes into account the value of furniture, fixtures, and equipment in or on the real property, the furniture, fixtures, and equipment shall not be subject to additional appraisal or taxation as personal property. (Effective September 1, 1999)

*July 1999 Vol. 22, No. 5 *Carole Keeton Rylander*, Comptroller of Public Accounts Issue of Statement

***Visit Our Web Site @
www.pennin.com***

MORE THAN 100 REASONS TO USE P.E. PENNINGTON & CO., INC. FOR YOUR PROPERTY TAX APPEALS

AA Applicators (WMB Properties)
Kenneth Abbott, Corporate Square 1
A & J Foods (Wendy's Franchisee)
Anarkali Enterprises, Ltd.
AseI Art Supply
Aysha Foods, Inc. (Jack in the Box)
Dr. Thurman Beene
Selwin Belofsky
Max and Helen Biderman
Bradford Putnam Realty
Fred Brodsky Company
Cain Machine Company
Capstone Real Estate Services
CCI Manufacturing, Inc.
The CEI Group
Chappell Hill Management Co.
Checkers Drive-In Restaurants, Inc.
Chuy's Comida Delixe
Cowboy Cab Co., Inc.
Crystal Car Wash
DLG Enterprises, Inc.
Danhard, Inc.
Ernie Dinsdale/L.B.V. Inc.
Dyer Family Partnership
First Gulf Development Corp.
Focus Asset Management
GKD Partnership, Ltd.
Garland Steel, Inc.
Gaylord Container Corporation
Gaylord Joint Venture
The Grinnan Companies
Fred R. Grote, Sr.
Virgil Hargett
Harper House, Inc.

Hermes of Paris, Inc.
Bernard Hirsh Family Trust
Alan Hoffmann Company
David Holle
Honeywell, Inc.
Hoss Equipment Company
HPA Partners, L. P.
HSR Plaza, Inc.
Ibrahim Investment Corporation
Integrated Properties, Inc.
International Isotopes, Inc.
J & B Convenience Store
JHM Properties, Inc.
Jagee Properties
R. E. Janes Gravel Co.
Abdul Jetpuri (Convenient Stores)
Mohammed I. Jetpuri (Restaurants)
905 Jupiter, Inc.
Robert N. Jutras
Kaizen Foods, Inc./Burger Kings
Kingtex, Inc.
Jerry Kissick Custom Homes
Sang-Jin Lee
Lincolnshire Associates
Henry D. Lindsley III
Mallard Management Company
Man-Arr, Inc. (Jack in the Box)
Maple Resources
Vince Martin dba L. M. Furs
Maten International
McCaslin Development
McElreath Family Ltd. Partnership
Bernard C. McGuire
T. D. McNeil

Medoff Family Trust
Milestek, Inc.
Monsouni, Inc.
P.O'B. Montgomery & Co.
Vincent Moran
Murray Munves (Clothing Mfg.)
Network Circuits, Inc.
New Friendly Corporation
Donald Nix
Oak Grove Partners
Oasis Car Wash, Inc.
Ottawa Properties, Inc.
Paccar Leasing Corporation
Pace Realty Group
Pappasito's (Restaurants)
Pegasus Transportation Group
Perfect Tinning Corporation
Phoenix International
Piper Weatherford Company
G. M. Pointer Trustee
Preston Partnership
Production Automation Systems
Proficient Management
Progressive Marketing, Inc.
7795 Properties, Inc.
Provident Bank
Provident Branch Banks
Puppe, Inc.
Richard and Carol Ranger
Clifton Reeder
James K. Reeves
Rodeo Plastics
RPC Investments, Inc.

Ruan Leasing Company
Charles See
Sierra Management Company
Simpson Housing Corporation
Sinclair Investment Group
Robert Skegrud
Dr. Robert N. Skufca
Basil R. Smith
Richard Kevin Smith
Southwell Investment Group
Southwest Housing Management
Spring Creek Co. (Restaurants)
Spring Engineers, Inc.
Stanford Chemical I, Ltd.
Thomas V. Stephen & Company
STM Graphics
Supreme Printing
Lawrence E. Tabak, Inc.
Terra-Mar
Texas Estrada Apartments LP
Than Than Investments
Time Warner Cable
Tokai Financial Services, Inc.
Tyson Management
United Bank & Trust-Abilene
Van-Texas Properties LP
VFB Family Ltd. Partnership
Vineyard Development, Ltd.
Visions Property Management
Volunteers of America Northern TX
Williams Dental Group
Windsor Management Group
Sammy C. Young (Restaurants)



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Concerned About Your Property Taxes? ...Let's Talk.