



SCOTT SHANLEY, GENERAL MANAGER

# Town of Manchester

41 Center Street • P.O. Box 191  
Manchester, Connecticut 06045-0191  
[www.manchesterct.gov](http://www.manchesterct.gov)

JAY MORAN, MAYOR  
MARGARET H. HACKETT, DEPUTY MAYOR  
STEVE GATES, SECRETARY

DIRECTORS  
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SARAH L. JONES

April 2019

Dear Manchester Property Owner:

In order to assess your real property fairly and equitably, information regarding the income and expenses related to your property is essential. Connecticut General Statutes, Section 12-63c **requires** all owners of rental property to annually file the enclosed form. **This year's filing of income and expense data is for the 2018 calendar year.** Please read the instructions for information and assistance in completing this form.

**All information filed and furnished with the enclosed form will remain confidential and is not open to public inspection.** Any information related to the actual rental and rental-related income and operation expenses shall not be a public record and is not subject to the provisions of Section 1-19 (Freedom of Information) of the Connecticut General Statutes.

In accordance with Section 12-63c(d), of the Connecticut General Statutes, as amended, **any owner of rental real property who fails to file this form or files an incomplete or false form with intent to defraud, shall be subject to a penalty assessment equal to Ten Percent (10%) increase in the assessed value of such property.**

Each year, the Town of Manchester penalizes a number of property owners who fail to respond to our request for a completed Income and Expense Report. The number of people penalized each year is very small and we have no desire to penalize anyone. Please be advised that the statute covering Income and Expense Reports states the following: "upon determination that there is good cause, the assessor may grant an extension of not more than thirty days to file such information, if the owner of such property files a request for an extension with the assessor not later than May first." Thus, if you intend to seek an extension beyond the June 3, 2019 filing deadline, you must request the extension, in writing, by May 1, 2019. Also, **filed Income and Expense Reports are subject to audit** by the assessor or designee of the assessor and the incomplete or false forms shall be subject to the 10% penalty under the statute. **We need your help in this process.** We will grant extensions to anyone who asks for one in writing, but if you intend to ask for an extension, **you must ask for your extension, in writing, by May 1, 2019, and no extension request may go beyond July 1, 2019.** **All properties whose owners are sent and Income and Expense Report who do not file their Income and Expense Report will be penalized.** Under the legislative changes to this statute, we cannot be as flexible as we've been in the past, you must file and you must file on-time or you will be penalized.

**If your property is 100% owner-occupied, YOU MUST STILL RESPOND. Do not assume that this form does not apply to you; you must complete and return this document.** If you are not sure how to complete this form, please call me at 860-647-3011 for help in completing your Income and Expense Report.

**Please return the completed form to the Office of Assessment & Collection by June 3, 2019.** If you have any questions concerning these forms or the information required, please call the Assessor's Office at 860-647-3011.

Sincerely,

John Rainaldi  
Director of Assessment & Collection

An equal opportunity Employer



## FREQUENTLY ASKED QUESTIONS:

- 1) Who is required to complete an Income and Expense (I & E) Report?

Answer: All owners of commercial property. These are classified as properties with retail, office, or industrial uses, or residential uses with 5 or more units.

- 2) My property is completely owner-occupied, I own the real estate and the business, and do I have to complete the Income and Expense Report?

Answer: Yes, you must still complete the I & E. If your property is 100% owner occupied, you may simply write, "Owner Occupied, does not produce rental income" or something to that effect on the I & E, sign it, and send it back. If your property is partially owner occupied and partially occupied by rental tenants, you must complete the I & E.

- 3) I told you my property was owner occupied last year, do I have to do this every year?

Answer: Yes. From year to year, the Town of Manchester does not know which properties revert from being owner occupied to being tenant occupied, so all commercial properties receive the I & E each year.

- 4) Does the Town have flexibility in the 10% penalty?

Answer: Maybe not. Under a legislative change in 2009, a municipality may only waive the penalty if it has adopted an ordinance allowing it to do so. Manchester currently has a limited

ordinance, thus we may not have the ability to waive a penalty after it has been levied and all owners who do not file their I&E.

- 5) Can I get an extension on filing my I & E?

Answer: Yes. The Town of Manchester is willing to grant an extension of up to 30 days, but you must make a written request to the Assessor's Office before May 1.

- 6) I have not yet completed my Federal Tax Return for last year, can I complete the I & E without my tax returns?

Answer: The data contained on the I & E is related to, but different than a Federal Tax Return, you still have to file your I & E on time, regardless of the filing status of your Federal Tax Return.

- 7) None of the rental data regarding my property has changed since last year, do I still have to file the I & E?

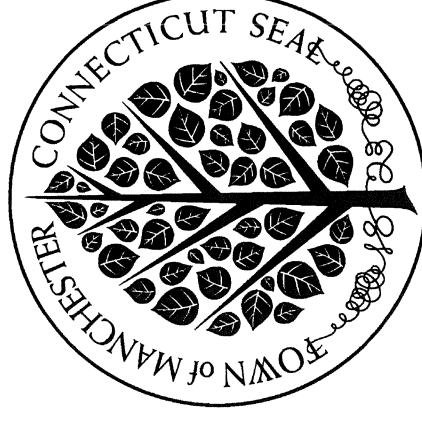
Answer: Yes. You must file an I & E every year, regardless of whether or not the rental or expense data for your property has changed.

- 8) What happens if I do not complete the I & E each year?

Answer: Although the Town of Manchester has no desire to penalize anyone, CGS requires that we impose a penalty equal to 10% of the assessed value for the coming year, for each property for which we do not receive a completed I & E.

## FREQUENTLY ASKED QUESTIONS REGARDING THE ANNUAL INCOME AND EXPENSE (I & E) REPORT

### TOWN OF MANCHESTER



OFFICE OF  
ASSESSMENT & COLLECTION  
41 CENTER STREET  
P.O. BOX 191  
MANCHESTER, CT 06045-0191  
  
TELEPHONE: (860) 647-3011  
FAX: (860) 647-3099

## ANNUAL INCOME & EXPENSE REPORTS

Connecticut General Statutes (CGS) Sec. 12-62 requires that each municipality in the State revalue all real estate every five years.

In every revaluation, each Connecticut municipality must accurately value all real estate within the municipality. This requires the municipality to appraise all real estate within the municipality every five years, then apply the State-mandated 70% assessment ratio to each appraised value.

There are three approaches to value that may be used by appraisers: 1) the Cost Approach, 2) the Sales Comparison Approach, and 3) the Income Approach.

The Cost Approach provides an opinion of value by estimating the value contributions of the property's land, then adding to that the depreciated value of buildings and improvements.

The Sales Comparison Approach provides an opinion of value by comparing individual properties to similar properties that recently sold, and using the sales data to provide an opinion of a property's value.

The Income Approach provides an opinion of value by analyzing a property as an investment. This approach values a property by converting its anticipated benefits (cash flows and reversion) into an opinion of value.

All three approaches to value are based on the principle of substitution, which states that when choosing among alternative properties to rent or buy, a prospective tenant or purchaser will only

pay a price that is commensurate with obtaining a reasonable substitute. In other words, people will generally choose the most cost-effective property available to them.

The Annual Income and Expense Report you are being asked to complete is used in assisting the Town of Manchester in developing the Income Approach.

The Annual Income and Expense Reports provide valuable data that is collected, tabulated and used to determine market rental rates, market vacancy rates, and typical stabilized operating expenses.

After the general market parameters are established, each property is then compared to the market to determine that property's performance relative to the market, and the Income Approach is developed.

In order to help each municipality collect necessary rental data, the State of Connecticut adopted CGS Sec. 12.63c which states: "*In determining the present true and actual value in any town of real property used primarily for the purposes of producing rental income, the assessor...shall have the power to require...that the owner of such property annually submit or make available to the assessor not later than the first day of June...the best available information disclosing the actual rental and rental-related income and operating expenses applicable to such property...*"

*Any owner of such real property required to submit or make available information to the assessor in accordance with subsection (a) of*

*this section for any assessment year, who fails to submit such information or fails to make it available as required under said subsection (a) or who submits information or makes it available in incomplete or false form with intent to defraud, shall be subject to a penalty assessment equal to ten per cent increase in the assessed value of such property for such assessment year."*

Because the information contained on the Annual Income and Expense Reports is both vital and required by statute, the Town of Manchester asks that you complete the document each year.

If you have any questions regarding your Income and Expense Report, please call the Town of Manchester, Assessor's Office at 860-647-3011.

If you believe you received an Income and Expense Report or a notice in error, please contact the Assessor's Office at 860-647-3011 as soon as possible.

In order to make filing your Annual Income and Expense Report easier each year, and in order to protect yourself in the event that your Annual Income and Expense Report does not reach us, we strongly recommend that you make a copy of your Annual Income and Expense Report for your files.

You may obtain a copy of the Annual Income and Expense Report you filed last year by providing a written request to the Assessor's Office.



SCOTT SHANLEY, GENERAL MANAGER

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## RETURN BY JUNE 3, 2019 TO:

OFFICE OF ASSESSMENT  
Town Hall  
41 Center Street  
P.O. Box 191  
Manchester, CT 06045-0191  
TEL #: 860-647-3011/FAX # 860-647-3099

## Calendar Year 2018 Annual Income and Expense Report

**Please do not disregard this notice, this document will affect your tax liability**

**FILING INSTRUCTIONS:** Please do not confuse this document with the Personal Property Declaration you may file each autumn, this is a separate item, which must be filed in addition to the Personal Property Declaration. In order to fairly assess your real property, information regarding the property income and expenses is required. Connecticut General Statutes 12-63c requires all owners of rental real property to annually file this report. **The information filed and furnished with this report will remain confidential and is not open to public inspection.** Any information related to the actual rental and operating expenses shall not be public record and is not subject to the provisions of Section 1-19 (Freedom of Information) of the Connecticut General Statutes.

Please complete and return the completed form to the Manchester Assessor's Office on or before Monday, June 3, 2019. In accordance with Section 12-63c(d), of the Connecticut General Statutes, as amended, any owner of rental real property who fails to file this form or files an incomplete or false form with intent to defraud, shall be subject to a PENALTY assessment equal to Ten Percent (10%) increase in the assessed value of such property. **If you intend to ask for an extension, you must ask for your extension in writing by May 1, 2019, and no extension request may go beyond July 1, 2019. All properties who do not file will be penalized. If you wish to change the mailing address above, include a separate, written request notifying us of your new mailing address and your desire to change your mailing address.**

**GENERAL INSTRUCTIONS:** Complete this form for all rented or leased commercial, retail, industrial or combination property. Identify the property and address. Provide Annual information for the Calendar Year 2018. **ESC/CAM/OVERAGE:** (Circle if applicable) **ESCALATION:** Amount, in dollars, of adjustment to base rent either pre-set or tied to the Inflation Index. **CAM:** Income received from common area charges to tenant for common area maintenance, or other income received from the common area property. **OVERAGE:** Additional fee or rental income. This is usually based on a percent of sales or income. **PARKING:** Indicate number of parking spaces and annual rent for each tenant, include spaces or areas leased or rented to a tenant as a concession. **SPACES RENTED TWICE:** Those rented for daylight hours to one tenant and evening hours to another should be reported under each tenant's name. **OPTION PROVISIONS/BASE RENT INCREASE:** Indicate the percentage or increment and time period. **INTERIOR FINISH:** Indicate whether ownership of owner or tenant and the cost. Please complete **VERIFICATION OF PURCHASE PRICE** information. **We recommend that you keep a copy of your completed report for your file.**

**WHO SHOULD FILE:** **All individuals and businesses receiving this form must respond and should complete and return this form to the Assessor's Office.** If you believe that you are not required to file this form, please indicate the reasons for this belief in writing to the address listed above. All properties that are rented or leased, including commercial, retail, industrial and residential properties, must complete this form. If a property is partially rented and partially owner-occupied this report must be filed.

**OWNER-OCCUPIED PROPERTIES:** **IF YOUR PROPERTY IS 100% OWNER-OCCUPIED, YOU MUST STILL RESPOND.** you must report only those income and expense items associated with occupancy of the building and land. Income and expense relating to your business should not be included. **Do not assume that this form does not apply to you; you must complete and return this document. If you are not sure how to complete this form, please call the number listed above for help.**

**HOW TO FILE:** Each page should reflect information for a single property for the year of 2018. If you own more than one rental property, a separate, complete report must be filed for each property in Manchester. Income Schedule A must be filed for Apartments, Schedule B must be filed for all other rental properties. A computer print-out is acceptable for Schedules A and B, providing all the required information is provided.

## RETURN TO THE ASSESSOR ON OR BEFORE JUNE 3, 2019

/Encl. (Calendar Year 2018 I&E)

*An equal opportunity Employer*



*Complete this Section for Apartment Rental activity only*

**BUILDING FEATURES INCLUDED IN RENT**  
(Please Check All That Apply)

- ☐ Heat
  - ☐ Electricity
  - ☐ Other Utilities
  - ☐ Air Conditioning
  - ☐ Tennis Courts
  - ☐ Stove/Refrigerator
  - ☐ Other (Specify) \_\_\_\_\_
  - ☐ Garbage Disposal
  - ☐ Furnished Unit
  - ☐ Security
  - ☐ Pool
  - ☐ Dishwasher

*this section for all other rental activities except apartment rental*

[illegible]

**COPY AND ATTACH IF ADDITIONAL PAGES ARE NEEDED**

# 2018 ANNUAL INCOME AND EXPENSE REPORT SUMMARY

OWNER \_\_\_\_\_

PROPERTY NAME \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

PROPERTY ADDRESS \_\_\_\_\_

(We won't change your mailing address unless it is specifically requested. If you would like to us change your mailing address, please include a separate written, request).

CITY/STATE/ZIP \_\_\_\_\_

MAP / BLOCK / LOT \_\_\_\_\_

(Fill in from the Front Instruction Page)

1. Primary Property Use (Circle One)	A. Apartment	B. Office	C. Retail	D. Mixed Use	E. Shopping Center	F. Industrial	G. Other
2. Gross Building Area (Including Owner-Occupied Space)					6. Number of Parking Spaces		
3. Net Leasable Area				Sq. Ft.	7. Actual Year Built		
4. Owner-Occupied Area				Sq. Ft.	8. Year Remodeled		
5. No. of Units							

## INCOME – 2018

9. Apartment Rental (From Schedule A)	21. Heating/Air Conditioning
10. Office Rentals (From Schedule B)	22. Electricity
11. Retail Rentals (From Schedule B)	23. Other Utilities
12. Mixed Rentals (From Schedule B)	24. Payroll (Except mgmt., repair & decorating)
13. Shopping Center Rentals (From Schedule B)	25. Supplies
14. Industrial Rentals (From Schedule B)	26. Management
15. Other Rentals (From Schedule B)	27. Insurance
16. Parking Rentals	28. Common Area Maintenance
17. Other Property Income	29. Leasing Fees/Commissions/Advertising
18. TOTAL POTENTIAL INCOME (Add Line 9 Through Line 17)	30. Legal and Accounting
19. Loss Due to Vacancy and Credit	31. Elevator Maintenance
20. EFFECTIVE ANNUAL INCOME (Line 18 Minus Line 19)	32. Other (Specify)
	33. Other (Specify)
	34. Other (Specify)
	35. Other (Specify)
	36. Other (Specify)
	37. Security
	38. TOTAL EXPENSES (Add lines 21 through 37)
	39. NET OPERATING INCOME (Line 20 Minus Line 38)
	40. Capital Expenses
	41. Real Estate Taxes
	42. Mortgage Payment (Principal and Interest)

## EXPENSES – 2018

RETURN TO THE ASSESSOR  
ON OR BEFORE 5:00 PM ON JUNE 3, 2019

## VERIFICATION OF PURCHASE PRICE

PURCHASE PRICE \$ \_\_\_\_\_ DOWN PAYMENT \$ \_\_\_\_\_ DATE OF PURCHASE \_\_\_\_\_

First Mortgage	\$ _____	Interest Rate _____ %	Payment Schedule Term _____ Years	<div>(Check One)</div> <table><tr><td>Fixed</td><td>Variable</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	Fixed	Variable						
Fixed	Variable											
Second Mortgage	\$ _____	Interest Rate _____ %	Payment Schedule Term _____ Years									
Other	\$ _____	Interest Rate _____ %	Payment Schedule Term _____ Years									
Chattel Mortgage	\$ _____	Interest Rate _____ %	Payment Schedule Term _____ Years									

Did the Purchase Price Include a Payment For: Furniture? \$ \_\_\_\_\_ (Value) Equipment? \$ \_\_\_\_\_ (Value) OTHER (Specify) \$ \_\_\_\_\_ (Value)

HAS THE PROPERTY BEEN LISTED FOR SALE SINCE YOUR PURCHASE? (Circle One) YES NO

If YES, List the ASKING PRICE \$ \_\_\_\_\_ DATE LISTED \_\_\_\_\_ BROKER \_\_\_\_\_

**REMARKS** - Please explain any special circumstances or reasons concerning your purchase (i.e., vacancy, conditions of sale, etc.) \_\_\_\_\_

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### AFFIDAVIT

I DO HEREBY DECLARE UNDER PENALTIES OF FALSE STATEMENT THAT THE FOREGOING INFORMATION, ACCORDING TO THE BEST OF MY KNOWLEDGE, REMEMBRANCE AND BELIEF, IS A COMPLETE AND TRUE STATEMENT OF ALL THE INCOME AND EXPENSES ATTRIBUTABLE TO THE ABOVE IDENTIFIED PROPERTY (Section 12-63c(d) of the Connecticut General Statutes).

SIGNATURE _____	NAME (Print) _____	DATE _____
TITLE _____	E-MAIL _____	TELEPHONE _____

**RETURN TO THE ASSESSOR ON OR BEFORE JUNE 3, 2019**