

# SPECIAL RELEASE

## Cohen Smith & Company, P.A. NEWSLETTER



**CERTIFIED PUBLIC ACCOUNTANTS**  
*Business and Personal Advisors*  
**133 EAST INDIANA AVENUE**  
**DELAND, FLORIDA 32724-4329**

**Phone: (386) 738-3300**

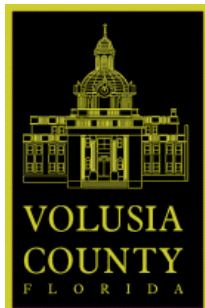
**Fax: (386) 736-2267**

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### County Tangible Property Tax TRIM Notices



If, as of January 1, 2010, you own tangible property used in a business with an estimated value of \$25,000 or more, you should receive a Tangible Property Tax Notice from your County. While this notice will likely indicate that it is not a bill, it will certainly become one

in November, along with real property ad valorem taxes.

We recommend you to pay close attention to the values indicated on your tangible property tax notice. Even though, if we prepare your return, we take great care in making sure you report only those tangible personal property assets that are in use by your business, and each year forward to you a detailed property asset listing in order to remove disposed property, your County utilizes their own internal techniques for valuation and reporting purposes.

What this means is that even though an asset may be shown as fully depreciated on your business property depreciation schedule, the County will likely show, and tax, at least a residual value. In addition, service lives used by the County for valuation purposes often exceed the depreciation lives used on your depreciation schedule, causing values to exceed the net book value shown on your financial statements.

Please note, if your tangible property's assessed value is determined to be less than \$25,000, you will are not required to file a return, unless newly purchased assets cause the total value to exceed \$25,000.

If, after reviewing your tangible personal property notice, you believe the assessed values shown by the County exceed, by a significant amount, the actual, January 1, 2010 fair market value of your personal property, your next step would be to contact your County Property Assessor's office and request a detailed listing of your personal property record. This report will include useful lives and fair market values assigned by the County.

If, after reviewing your detailed asset listing, you believe significant differences exist between the value assigned by the County and fair market value, you should again contact the County Assessor's office and request a conference to review these differences.

In order to successfully challenge the value assigned by the County, you will need evidence substantiating the fair market value you believe is correct. For example, for the value of a copier, you might contact your copier vendor and request a letter indicating their estimate of fair market value. Also, if you choose to appeal your valuation, your application for hearing must be filed by September 15, 2010.

In light of the above, you should be mindful of the fact that the tangible tax rate is approximately \$23 per \$1,000 of assessed value (based on the 2009 average county rate). Therefore, you should carefully consider the potential benefit of appealing your tangible property values against the time and effort required to potentially obtain a lower valuation and tax.

Of course, we remain available to assist you with any of the above. Should you have any questions regarding your tangible property notice or tangible personal property return, please do not hesitate to call.

### **State Launches Rebates For A/C**

Floridians could receive a \$1,500 rebate for replacing their central air conditioning systems with more energy efficient units starting August 30, 2010.



The program opens Monday, and will run through the end of the year or until the \$15 million the Governor's Energy Office set aside for it runs out.

The money, which comes through federal stimulus funding approved last year, will cover only 10,000 rebates. Also, the Energy Star air-conditioning program is tied to duct system inspections. Homeowners must show proof their ducts leak 15 percent or less after their new units are installed, and pay for those tests and any required repairs.

State officials warn about 12 percent of Florida homes probably can't qualify, as their ducts can't be accessed for repairs. Therefore, the State recommends the homeowner discuss any concerns with a Florida licensed installer before pursuing this rebate.

Here is what you need to know about the cash for clunker air conditioner program. For more details, go to this website: [rebates.com/floridahvac](http://rebates.com/floridahvac).

### **Will I qualify if I install new air conditioning last month?**

No, there are no retroactive rebates. You must sign your contract no earlier than Monday, August 30. The program will run through December 31 or until the money is gone.

### **What type of units qualify?**

The program covers central air conditioners, air source heat pumps or geothermal heat pumps. The units must have SEER energy ratings equal to or greater than 16 for central split systems, 14 for central package systems, 15 for air source split systems and 14 for air source package systems. Qualifying ratings for geothermal systems, as well as additional standards, are on the website. The systems must be new but cannot be installed in new homes under construction.

### **Who is eligible?**

Applicants must be Florida household residents. Commercial properties are not eligible.

### **What's this about duct inspection?**



Your duct work must be inspected and certified as leaking no more than 15 percent – after the new system is installed – in order to qualify for a rebate. This inspection must be done by a Florida Class 1 rater, a Florida licensed mechanical contractor, or a recognized test and balance agent. Ask your contractor if he has someone on staff qualified. If not, you will need to hire someone. Either way, the consumer must pay for inspection, which could be several hundred dollars.

### **What if my duct work is terribly inefficient or can't be fixed?**

You need to determine the general condition of your duct work before you sign a contract, so you can decide if the rebate is worth it to you. Ask your contractor, in advance, to examine your duct work.

### **How will I get my rebate?**

You must file an application form – now available on the website – along with these four documents; your installation receipt; a copy of the mechanical building permit required by your city or county; a copy of your final duct leakage report; and the first page of the “manual j program” that shows how your unit was sized to fit your home. Rebates will be given out on a first come, first served basis. Applications must be postmarked by December 31.

### **Can I combine the state program with other rebates?**

Yes. The energy rating requirements for the state program are the same as for the federal energy tax credit, which is 30 percent of the price of a system with a maximum of \$1,500. Consumers can file for both, as well as an power company rebates and any manufacturer's rebates. Combine them all and you could save 40%-60% on your new central air conditioning system, plus reduce your electric bills.

### **How will my rebate come?**

Rebates will be given as an American Express prepaid card. The card can also be exchanged for a check or an electronic funds transfer.