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# Trusted Advisor

*Who is your confidential sounding board?* | by Chip Cooke

What does it mean to be a trusted advisor? Some traits that immediately come to mind: knowledgeable, impartial, and steadfast. When you reach out to someone you consider to be a trusted advisor, you want to know that the individual is looking out for your best interest and has the skill set and resources to make that happen. You want someone reliable – someone who is always there for you.

Last week Tom Tucker, TMA's Chief Operations Officer, asked me what we were highlighting in our newsletter this quarter. I told him we had a few ideas but would be happy to take suggestions if he had something that our audience would enjoy. Immediately he shared a story that I have been thinking about ever since. Tom told me he had recently received a phone call from a county that had been our client in the past. While this Assessor is not presently doing business with TMA, he still wanted to pick Tom's brain about an issue. Of course, Tom made

the time and attempted to assist this individual with finding a solution to his

*“Lean on others in both the public and private sector to learn new ways of doing business, surround yourself with intelligent individuals, and speak the truth about what you know. All too often the answer to a troubling question is just a phone call away.”*

problem. With over thirty (30) years of assessment administration experience

under his belt, Tom is often sought out for property tax advice. Tom gave his opinion on the matter: the Assessor expressed his gratitude and life moved on.

That would be a fairly uneventful story if it didn't have a much deeper undertone. Here at TMA we love to help. Understanding that this is a very important, although underappreciated industry, we are always going to do our best to assist others in their duties.

TMA managers routinely interact with our clients and exchange similar stories. We have always positioned ourselves as an additional resource for clients and their respective assessment officials. Even if it is to simply coordinate two jurisdictions from different states. Often the role of a trusted advisor is a knowledgeable, confidant sounding board.

Have questions about a revaluation issue? Yes, we've assisted with that

If you have any questions or comments about this article, please contact Chip Cooke at 1-800-951-5350

before. Have a complex issue around leasehold improvements? Yep, been there, done that too. How about the pros and cons of online listing for various tax types? Yes, we are exploring that also.

Exciting? No, maybe not – but that's not the point. The property tax and its related functions make up a vast majority of local revenues across the United States. While it might not be the stuff of legends around the cocktail party, it is a vital component of our local communities and we have made ourselves a trusted advisor in this space. So, what does it mean to perform this role on a daily basis?

First, and foremost, trust is key. Be honest in what you know and don't know and make sure that your clients and friends understand that what you say is the truth. If you don't know the answer, say you don't know. But, follow up by finding out the solution in an appropriate length of time. Always do your best in assisting others with their problems.

Second, surround yourself with people of knowledge. TMA has been practicing its trade since 1979 – I have personally been witness since 1994. I continue to be amazed by the individuals who have been part of TMA since the beginning. Altogether, their experience amounts to more tax knowledge than I could ever hope to possess. I rely on these individuals on a daily basis, as do our clients. Shared experiences, shared knowledge, and a common goal of doing business better is what we're all about.

Third, as a trusted advisor to others, understand that there is always room to learn. Open ears have led TMA to more opportunities than I thought possible. When I am on-site with a client, I always like to ask them about current events and their present challenges at work; most of the time we can share experiences and exchange resources. We lean on experienced colleagues for suggested solutions, or perhaps a plan of action. And, if one client has an issue, it's possible another client has the same problem. Solutions are portable – being able to share knowledge across clients can be a very valuable exercise.

Recently I was sitting with a potential client who didn't know exactly what we were about or what the company had to offer. The conversation started a little stiff as I tried to explain the company's capabilities and history and what we could bring to the table in terms of a partnership. We went from generalities to specifics when our TMA operations manager began to relay stories about previous interactions with taxpayers. We touched on various topics including fully installed cost, how we approached leaseholds and various other minutiae in the property tax field. Riveting, right? But, before we knew it, our potential client began to warm up to us. Through this interaction, we gained a bit of his confidence and began to prove to him that we can be

trusted advisors. The beginning of a new relationship was formed. We shared as much as we could in a short period of time, and before you knew it, had an opportunity to follow up in the near future.

If you are reading this, there is an excellent chance that you are a knowledgeable leader in the property tax industry. I would advise you to share that skill set with others in your space. Lean on others in both the public and private sector to learn new ways of doing business, surround yourself with intelligent individuals, and speak the truth about what you know. All too often, the answer to a troubling question is just a phone call away.

As always, the 130 employees of TMA will be doing our best to increase our knowledge base and share it with you as government's trusted advisor. We are just a phone call away. You can reach any of us at 1-800-951-5350 or on the web at [www.tma1.com](http://www.tma1.com).







# Legal Residence

*Why multiple exemptions are fraudulent and harmful to your tax base | by Taylor Ennis*

It's Summer and many of us are eager to enjoy the sun, sand, and a vacation. Where do you prefer to go during time away from the office? Perhaps you visit the coast, the mountains, or even soak up a staycation at home. For those who head out of town, most stay in a hotel or rental property.

Did you know some rental property owners claim exemptions on their rental properties? Getting paid to own a beach house sounds wonderful, tell me where to sign up!

Actually, there's more to it than that.

TMA recently began a Legal Resident Exemption(LRE) Audit Project in Charleston County, South Carolina. What is LRE? In layman's terms, a Legal Residence Exemption is an exemption granted to property owners who own and occupy a specific property within a specific jurisdiction. The property owner cannot receive a second primary residence exemption on another

property whether it is located within the state of South Carolina or any other state.

Most people recognize Charleston, South Carolina as a beautiful vacation

*"In some instances, taxpayers are getting away with filing for multiple exemptions; this is stealing and ignorance of the law is not a valid excuse."*

destination which in return means a lot of rental properties. Property owners in South Carolina are allowed to rent their primary residence out for 72 days per year and still qualify for the LRE, but the property must be maintained as the

owner's primary residence for the rest of the year. The laws and exemptions differ for each state and understanding them can be somewhat cumbersome.

What happens when someone files for multiple exemptions? Perhaps they own several properties used as rentals but claim that they primarily live in more than one. Some taxpayers believe they qualify for exemptions in multiple states. This is simply not true. While LRE may be identified by different names in different states (Primary Residence Exemption in Michigan or Homestead Exemption in Florida) it is essentially the same law. If you have a permanent residence, you may receive a tax break only on that property.

In some instances, taxpayers are getting away with filing for multiple exemptions; this is stealing and ignorance of the law is not a valid excuse. When people file for multiple exemptions, it causes unfairness and reduces equity in the tax base. Legally,

If you have any questions or comments about this article, please feel free to contact Taylor Ennis at 1-800-951-5

taxpayers may be charged back taxes for the years they filed false exemptions.

Another common instance of improper filing occurs with deceased property owners. Many times the new property owner doesn't transfer the property out of the deceased owner's name thus allowing the new owner to receive the exemption. Even if the property is willed to someone, if it doesn't go through probate and transferred over, then the property does not qualify for an exemption.

We can go round and round with different circumstances of improper filing. Rather than focusing on the problem, let's look at a solution.

TMA partners with LexisNexis® to locate improperly filed exemptions. LexisNexis® data allows counties to view a larger picture of what the property owner presents to the world, not the fraction of data he or she chooses to show the government. For example, LexisNexis® can view: real property, licenses, addresses, and so much more. As a result, LexisNexis® views one individual, unique identity and understands where else they live and what other properties they own. LexisNexis® sees over 585 million identities containing all the different names, aliases, addresses, tax ID numbers, and owned properties of an individual.

Counties may only view information property owners want to share. Perhaps the property changes owners or the owners changes identity status and does not tell the government. This scenario

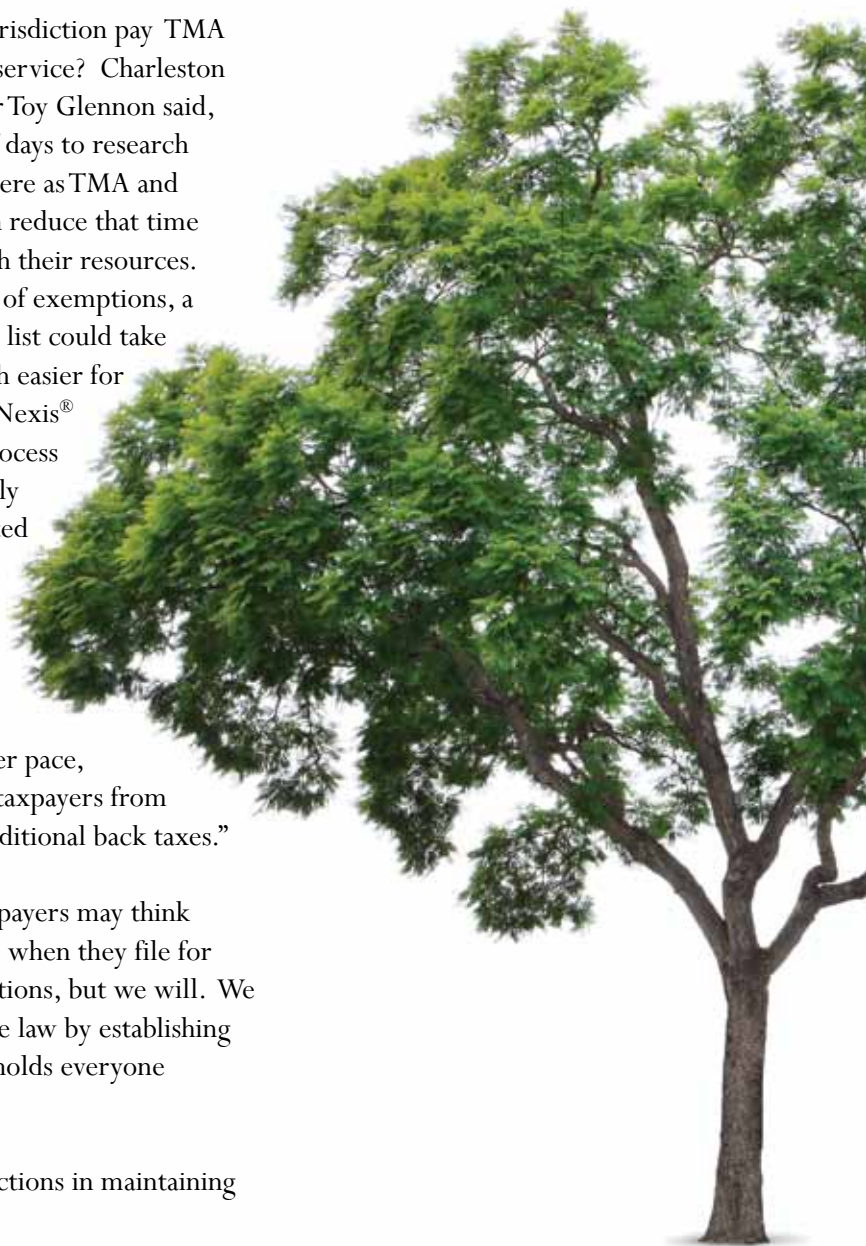
creates incorrect data for the county and may lead to fraudulent exemptions. Non-compliant exemptions cost state and local government hundreds of millions of dollars in lost property tax value every year. This inequity places an undue burden on the remaining real property taxpayers. LRE benefits include increased revenue through false claim detection, equity and uniformity in the tax base, and instant access to accurate data.

Why would a jurisdiction pay TMA to conduct this service? Charleston County Assessor Toy Glennon said, "It can take staff days to research exemptions, where as TMA and LexisNexis® can reduce that time significantly with their resources. With thousands of exemptions, a full look at your list could take years. It is much easier for TMA and LexisNexis® because their process is done so quickly with their updated information and staff. By utilizing a third party and conducting this process at a faster pace, it also prevents taxpayers from having to pay additional back taxes."

Toy added, "Taxpayers may think we won't notice when they file for multiple exemptions, but we will. We are enforcing the law by establishing a program that holds everyone accountable."

Assisting jurisdictions in maintaining

fairness and equality in their tax base is what TMA services are all about. Together, TMA and LexisNexis® utilize data and investigative strength to ensure counties have accurate data and limit improperly filed exemptions. We have worked together since 2010 in four states to reduce the number of improper exemptions. With more than ten successful projects, find out what TMA can do for you and your jurisdiction.







# Cost Evaluation

*How do you force assess businesses in your jurisdiction?* | by Renee Abernathy

Can you name the assets of a typical auto repair shop, veterinarian, boat dealer, pizza parlor, or dance studio? How about the average cost of each item if it's new?

There is no need to remember millions of item prices when TMA's CAVS (Cost Analysis Valuation System) provides a simple solution for you.

Each year, assessing officials are faced with trying to estimate values for businesses that do not file a personal property form. This is why TMA created CAVS; the easiest way for your jurisdiction to create estimates for non-filing businesses.

CAVS takes the guesswork out of the estimation process by providing assessing officials with customized, ready-made valuations for these businesses. Based on extensive research, CAVS valuations include the appropriate costs for each asset of a particular business type. The assessing

official needs only to apply depreciation to reach the final assessment.

Jennifer Heilig, said "Randolph County, North Carolina started using the Cost

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Analysis Valuation System (CAVS) back in 2012. We mail the CAVS worksheet with a letter explaining that the CAVS worksheet is a breakdown of assets

which the business should be listing as business personal property. The letter gives them the opportunity to sign if they agree with the value or to make any changes to the worksheet. We also attach a listing form and have received several listings back without the worksheet or letter. In these past 3 years we have created 142 valuations for businesses.

CAVS assists me tremendously in trying to determine a value for businesses that have not returned their listing form. It is also very helpful that you can add or delete assets to better match the business you are trying to value.

In my opinion, CAVS has made the discovery process of listing businesses 100% easier and better for both the county and taxpayer."

Over 35 jurisdictions are currently utilizing CAVS services. The success of CAVS is growing yearly, and the specifics of business types and assets are updated in real-time. TMA's

If you have any questions about this TMA service, please contact Renee Abernathy at 1-800-951-5350

commitment to clients and products helps keep you at the forefront of information and technology.

CAVS is designed to be user-friendly:  
Browser-based interface: Access CAVS application from anywhere there is an internet connection. There is no software to install.

Over 400 business types to choose from: search for businesses by business type, NAICS, or SIC code.

Worksheets: CAVS is pre-loaded with estimates for hundreds of business types. It is easy to customize the estimation for your specific needs.

Easy Storage: CAVS estimates are saved in one place for years to come for easy recovery. Additionally CAVS generates every estimate as a printable PDF. These can be kept for your records or sent to the taxpayer for verification.

Real-time updates: The CAVS team consistently researches and updates the system with new business types, cost data, and assets. You always have access to the most current assessment information.

TMA understands that every business is unique. Every pre-made estimate in CAVS is easily customizable in several ways:

Number of employees: The employee slider feature allows you to adjust an estimate up or down based on a business' number of employees.

Change, add, or remove assets: You know more about your taxpayers than we do. CAVS allows you to change asset value and remove or add assets for businesses that differ from the norm.

For businesses that are larger or smaller than average, CAVS allows you to adjust the entire estimate up or down by a percentage. It even allows adjustments to the estimate for assessment ratio purposes.

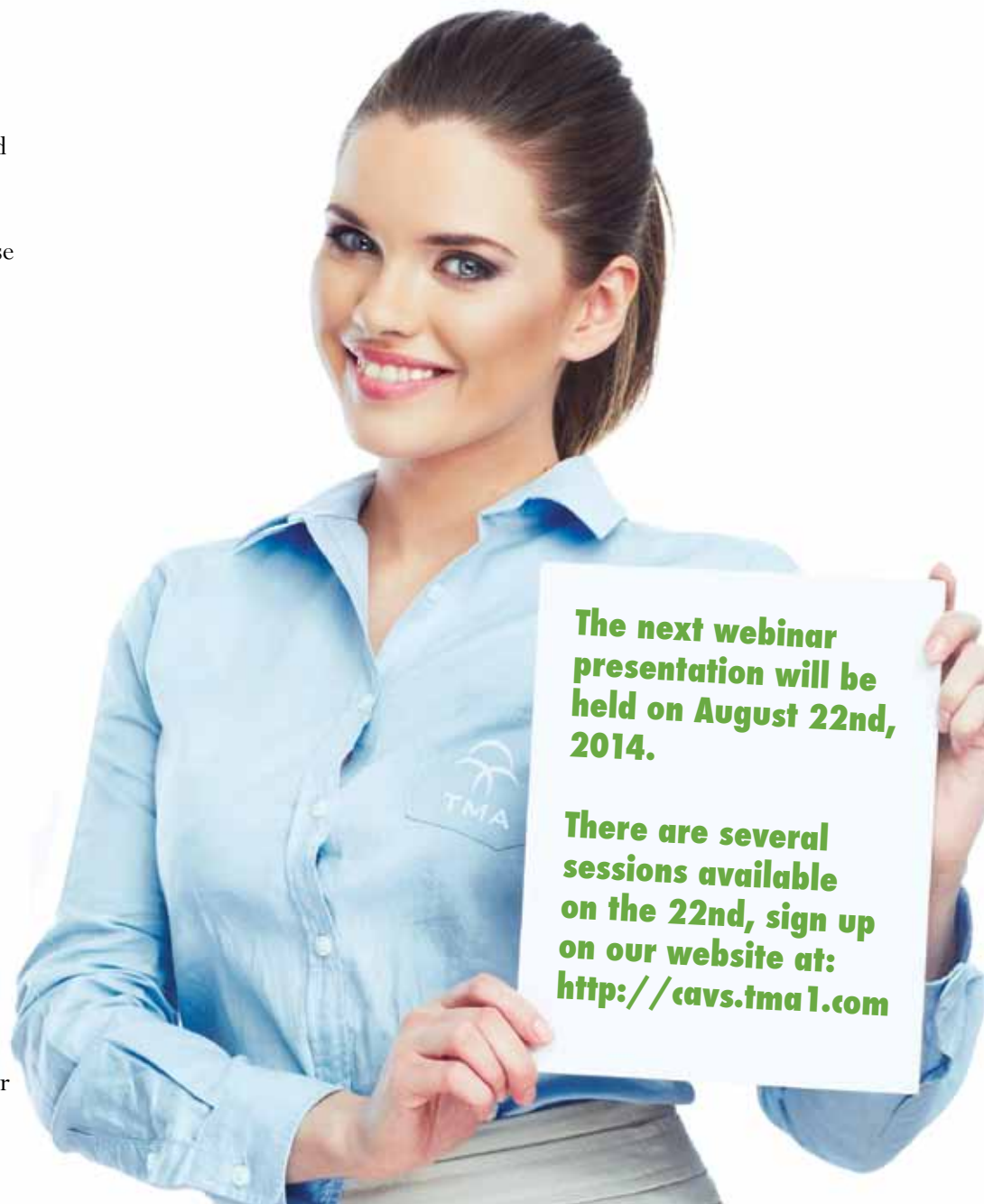
For technical folks here are a few details that may interest you:

CAVS is equipped with secured hosting with PAETEC collocation data-center solutions, has high-performance server software Nginx coupled with Unicorn app server, HTML and CSS valid Form

requests powered by AJAX and jQuery, Quad core Dell Power Edge R710 servers and built using the industry leasing MVC web framework, Ruby on Rails.

TMA offers CAVS webinars for your convenience. They are held every other month or by request. These informational sessions review the details and simplicity of CAVS.

For additional information please call 1.800.951.5350 or visit our website at: <http://cavs.tma1.com>.





Since 1979, Tax Management Associates, Inc. has performed revenue enhancement services for over five-hundred (500) state and local government clients in twenty (20) states including statewide programs for both the Kentucky Revenue Cabinet and the Michigan Department of Treasury.

**QUALITY**

Over 130 employees and 34 years of experience, TMA is the nation's number one source for excellence in property tax assistance. To date, TMA professional auditors have performed over 170,000 audits for our clients. In addition, TMA has discovered over \$40 billion in unreported or under-reported value.

**BY**

This translates to over \$1 billion dollars raised for our clients. What's more is that these audits have been completed in a timely manner all while retaining an overall appeal rate of less than one half of one percent. Call now to find out what services would benefit your jurisdiction at 1-800-951-5350.

**DESIGN**