



Overpaying Property Tax from Overstated Assets?

Ghost assets still on a company's books but no longer in its possession are a common problem impacting a company's tax liability and profitability. Reporting phantom assets because of the absence of meticulous purchase records and asset tagging procedures results in companies paying significantly more taxes than they owe. Normal breakdowns within the physical inventory process and fixed asset recordkeeping procedures combined with reconciliation issues resulting from merger or acquisition activity can add tremendous complexity and further contribute to the drain on profits. These are inherent problems for companies with a high volume of locations, particularly in the retail, grocery, restaurant, hospitality, financial, and service provider industries.

Most companies are resigned to implement reasonable procedures to capture the necessary details of maintaining their asset base, knowing that some assets will fall through the cracks. Unfortunately, most state and local jurisdictions' depreciation tables have a 20 to 30% floor—so these unrecorded disposals, regardless of how old they are, have costly property tax consequences that are not being addressed. This liability compounds over time, and companies continue to pay taxes on assets that do not exist into the foreseeable future. These costs can be staggering for those companies with hundreds of locations and property assets.



Ryan's Fixed Asset Modeling (FAM) Benefits

- Electronic deliverable easily uploaded to other reporting software and systems. Cost-effective method for performing a statistical physical inventory; optional solution to fixed asset or accounting departments.
- Modeling uses the company's own fixed assets.
- Audit tested and approved by some of the most stringent tangible personal property assessing states and auditors.
- Scalable to be used whether property taxes are performed in-house or outsourced.
- Annuity-based model is a repeatable process where additional tax savings may be found every year it is performed.
- Dual benefits and synergies between a company's property tax and fixed asset departments.

Ryan's FAM Service Protects Profitability and Cash Flow

To protect your profitability and cash flow, Ryan's FAM service delivers a cost-effective statistical inventory model in a centralized source to uncover hidden tax liabilities typically resulting in personal property tax savings of 10 to 20%. The FAM service is a more efficient, cost-effective alternative to physical inventories and may provide a powerful business improvement annuity where additional tax savings may be found every year it is performed.

Clients leverage Ryan's FAM service as the natural first step in their personal property tax cycle. Ryan FAM ensures that the taxable basis of your organization's reportable tangible personal property is accurate prior to filing to avoid overstating value and overpaying taxes. Ryan FAM safeguards the application of any further valuation adjustments applied to the proper subset of reportable assets. This assures the final assessment has received the most holistic tax reduction review possible.

Providing a model site cost configuration utilizing statistical and engineering cost-estimating algorithms used in conjunction with generally accepted tax appraisal standards provides clients a repeatable methodology for identifying overstated assets, ensuring maximum tax savings. By statistically comparing the model to each location's actual fixed assets, clients identify where the cost of a site's actual fixed assets exceeds the model. Tax savings adjustments identified through this process are then applied to each location's documentation of assets rendered on the original tax return, ensuring that you pay only the taxes you owe—no more, no less.

For more than a decade, Ryan FAM professionals have improved the efficiency and tax performance of numerous Fortune 500 companies through fixed asset statistical modeling, historically averaging nearly 20% in tax savings on personal property. Backed by the experienced professionals of the largest property tax practice in North America, Ryan's FAM service delivers personal property tax benefits that are unmatched by the competition today.



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Award-Winning Tax Services

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