

Haddam Assessor's Office

Information Corner



There have been many questions raised over the past months regarding businesses and whether or not they should be picked up by the Assessor's Office. It is my hope that this article will help to explain and give the situation some clarity for everyone.

Defining a "Business"

The definition of a business is not easily conveyed in words because every situation is different and there are many aspects and questions that need to be asked in order to ascertain if a business should be listed with the Town.

Here are the ways we look at it; hopefully this will help answer any questions that you may have.

Do you provide a good or service in exchange for compensation?

If you answered yes, then you are in a business.

There are a couple of ways to examine your individual situation to determine if you are a business or not. These are the most common aspects that we look to; and this list is not all-inclusive, but generally covers the most common aspects.

- 1) Advertising**
- 2) Time Contributed**
- 3) Assets**
- 4) Compensation**
- 5) Home Based**
- 6) Income**
- 7) Ownership**
- 8) Rent a space**
- 9) Sales Tax**
- 10) Self-Employed**
- 11) Trade Name Certificate**

- 1) **Advertising** – if you are advertising, in print media, online, or in any other way, you are in business.
- 2) **Amount of Time** – it doesn't matter if you work at the business 3 hours a week, full-time, part-time, seasonally, or whenever someone calls to ask for you to provide a good or service to them. The number of hours, or time spent, doesn't factor into the determination on whether or not you are in business.
- 3) **Assets** – The amount of tangible business personal property also does not factor into the determination on whether or not you are in business. Business personal property can range from a hundred dollars for a part-time, home-based business, all the way up to millions of dollars (as is the case with most public utilities, and, in Haddam's case, the Connecticut Yankee property).
- 4) **Compensation** – The amount of compensation you receive also does not factor into the determination of whether or not you are in business. If you receive a 1099 for tax purposes, or you self-report your income to the IRS, you are in business. If you receive a W-2 from the business, then you are an employee and the business owner would declare the business personal property, not you as the employee (unless, of course you are an employee of your own company).
- 5) **Home-Based Businesses** – If you operate a farm, or make crafts for the local fairs, or are a CPA at home, you are in business. You are not required to rent or lease a space in order to be considered a business.
- 6) **Income** – The amount of money you make from your goods or services is irrelevant to determining whether or not you operate a business.
- 7) **Ownership** – If you have filed paperwork to be incorporated, or have created another legal entity (LLP, LP, LLC), then you are in business.
- 8) **Rent a Space** – If you rent/lease a space, then you are in business.
- 9) **Sales Tax** – If you have a Sales Tax Certificate, or if you collect sales tax, you are in business.
- 10) **Self-Employed** – If you are self-employed and work for yourself, you are in business.
- 11) **Trade Name Certificate** – If you have filed a Trade Name Certificate with the Town Clerk, or have a Trade Name that you use for your operation, you are in business.

If you have questions or concerns about your specific situation, please call me at (860) 345-8531, 213, or email me at assessor@haddam.org. We are available Monday through Wednesday from 8:30 a.m. to 4:00 p.m.; Thursdays from 8:30 a.m. to 6:30 p.m. and on Fridays from 8:30 a.m. to 12:00 noon.