



The Brennan Group | *Strategic Tax & Cost Management*

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A BRENNAN GROUP CASE STUDY

Have you Gotten a Second Opinion?

The Brennan Group began discussions with an aerospace parts manufacturing firm that was formerly a machine shop for Boeing. They have over 1.3 million square feet of manufacturing space. Like many other businesses, their national accounting firm had reviewed their assessments and found no savings. They were reluctant to proceed with a review due to a limited staff and they truly did not believe any savings could come about from an analysis. After our explanation of the many facets and benefits of an analysis, they awarded a contract to The Brennan Group.

As a manufacturing entity, they had an extensive list of assets ranging from old traditional stamping equipment to new vertical machining equipment. Our analysts performed a walk-through of the facility and carefully reviewed every aspect of their most recent personal property tax filing. We performed a 'gone' study to identify ghost assets, reviewed their policy on how they capitalized assets, and did a careful examination of the construction-in-progress account. As a result, The Brennan Group lowered this client's personal property taxes by 14% resulting in over \$215,000 in savings each year.

Even more significant is the success we achieved with our analysis and review of the real estate taxes. St. Louis County had valued the real property at \$42 million. We were able to get the county to make some adjustments to their original value at an informal level and at the local Board of Equalization, however the \$27 million dollar number they applied was still considerably higher than our opinion of the actual value. Therefore, we filed an appeal to the State Tax Commission and were successful in reducing the value of the property to \$18 million dollars. That was a 58% reduction, which amounted to \$767,500 in savings. In total, The Brennan Group reduced their client's tax liability by over 35% and saved nearly \$1 million, a savings they hadn't felt was possible because their accounting firm told them they were doing okay. Always get a second opinion!

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