Finance, Revenue and Bonding Committee Hearing
March 13, 2014

H.B. No. 5472

An Act Concerning Failure to File for Property Tax Exemptions

MannKind Corporation

The assets listed on the attachment have been disallowed for exemption but are in place as equipment and used specifically in and during the manufacturing process which in some if not all cases adhere to regulatory compliance.

The manufacturing equipment includes process tanks (acetic acid, FDKP insulin) that hold product during the manufacturing process, an air control monitoring system which regulates the manufacturing room pressurization as well as temperature and humidity regulatory specifications during the manufacturing process. Steam clean generators for the cleaniness of the manufacturing equipment meeting regulatory compliance. Pre-Treatment and Purified water systems used for and during the manufacturing process.

Anne Marie Kelleher
DIRECTOR, OPERATIONS FINANCE
MANNKIND CORPORATION
1 CASPER ST.
DANBURY, CT 06811

MannKind Corporation
2009 Post Payment Audit List of Adjustment

Item	Asset ID	Asset Discription	Year	Cost	Depreciation	Assessment	mill rate=.02096 Adjusted Amt	Reason disallowed	Life Book	Life Federal	MannKind Comment
1	10585	Heartstart On Site Defibrillator w/case	2005	$ 1,804	$ 902	$ 631	$ 13.23	Not Eligible	---	---	Agreed. Asset was disposed.
2	10586	Heartstart On Site Defibrillator w/case	2005	$ 1,804	$ 902	$ 631	$ 13.23	Not Eligible	---	---	Agreed. Asset was disposed.
3	10619	Hoppman Filling Line	2005	$ 185,014	$ 92,507	$ 64,755	$ 1,357.26	Explain Cost Increase	5	5	??? This assets Cost has been resported as $949,699.87 since it was added to Fixed Assets in 2005.
4	12886	HEPA Filter Cartridge Vacuum	2006	$ 8,257	$ 4,954	$ 3,468	$ 72.69	Pollution Control	---	---	Agreed. Asset was disposed.
5	12788	Honeywell EBI System	2006	$ 124,312	$ 74,587	$ 52,211	$ 1,094.34	Not Eligible	5	5	Agreed
6	12927	Installation of Asset 12886	2006	$ 14,824	$ 8,894	$ 6,226	$ 130.50	Pollution Control	5	5	Agreed
7	12836	Lab Equipment Bldg 1 - QC & Microbiology Casework	2006	$ 246,702	$ 148,021	$ 103,615	$ 2,171.77	Not Eligible - Fixtures	5	5	Agreed
8	12943	Service Specs for Comm Freeze Dryers	2006	$ 16,564	$ 9,938	$ 6,957	$ 145.82	Provide description of M&E	5	5	Services required to define user and functional specifications for the operation of the commercial freeze dryers.
9	12938	Abacus Validation	2007	$ 13,187	$ 9,231	$ 6,462	$ 135.44	Provide description of M&E	5	5	M&E Qualification for use in GMP environment.
10	12942	Validation Micro Lab	2007	$ 18,963	$ 13,274	$ 9,292	$ 194.76	Provide description of M&E	5	5	M&E Qualification of Microbiology Lab for use in GMP environment.
11	12940	Validation QC	2007	$ 55,903	$ 39,132	$ 27,392	$ 574.15	Provide description of M&E	5	5	M&E Qualification of Quality Control Lab for use in GMP environment.
12	**13430**	**Acetic Acid Hold ~~Tonk~~ Tank**	2008	$ 232,392	$ 185,914	**$ 130,140**	$ 2,727.72	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
13	**13428**	**Acetic Acid Preparation Tank**	2008	$ 301,086	$ 240,869	**$ 168,608**	$ 3,534.03	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
14	**13200**	**Drum Hauler**	2008	$ 15,787	$ 12,630	**$ 8,841**	$ 185.30	Provide description of Mfg Function	5	5	Transfers materials from one manufacturing site to another.
15	**13218**	**Electrical Distribution Equipment**	2008	$ 181,382	$ 145,106	**$ 101,574**	$ 2,128.99	Not Eligible - 15 Year IRS Classification	15	7	***It is Eligible as the Federal life is 7 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
16	**13431**	**FDKP Insulin Hold Tank**	2008	$ 185,627	$ 148,502	**$ 103,951**	$ 2,178.82	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
17	**13429**	**FDKP Insulin Preparation Tank**	2008	$ 349,571	$ 279,657	**$ 195,760**	$ 4,103.12	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
18	13165	GMP Storage Racking	2008	$ 10,291	$ 8,233	$ 5,763	$ 120.79	Not Eligible	5	5	Agreed
19	13149	Kidde Industrial Dry Chemical	2008	$ 13,229	$ 10,583	$ 7,408	$ 155.28	Provide description of M&E and Mfg function	5	5	Raw material shed for storing hazardous materials.
20	**13400-13419**	**Mfg Equipment - Air Control Monitoring System AHU**	2008	$ 8,895,236	$ 7,116,189	**$ 4,981,332**	$ 104,408.72	Not Eligible - 15 Year IRS Classification	15	7	***It is Eligible as the Federal life is 7 years.*** 15 Years represents the Book life.
21	**13424-13425**	**Mfg Equipment - Steam Clean Generator**	2008	$ 523,488	$ 418,790	**$ 293,153**	$ 6,144.49	Not Eligible - 15 Year IRS Classification	15	7	***It is Eligible as the Federal life is 7 years.*** 15 Years represents the Book life.
22	**13307**	**PUROSEPPRO NCSRT**	2008	$ 525,049	$ 420,039	**$ 294,027**	$ 6,162.82	Provide Description of Equipment and Mfg Function	5	5	This equipment is the TFF filtration skid located in Solution Prep and is used in the filtration of the Technosphere particles prior to insulin loading or in other words used in the manufacturing process.

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23	~~13423~~ 13433	System 231 - Insulin Preparation ~~Tank~~	2008	$ 185,703	$ 148,562	**$ 103,994**	$ 2,179.71	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
24	13424	System 232 - Insulin Formulation ~~Tank~~	2008	$ 186,177	$ 148,942	**$ 104,259**	$ 2,185.27	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
25	13215	York Chiller #1	2008	$ 278,466	$ 222,773	**$ 155,941**	$ 3,268.52	Not Eligible - 15 Year IRS Classification	15	7	***It is Eligible as the Federal life is 7 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
26	13216	York Chiller #2	2008	$ 278,466	$ 222,773	**$ 155,941**	$ 3,268.52	Not Eligible - 15 Year IRS Classification	15	7	***It is Eligible as the Federal life is 7 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
27	13217	York Chiller #3	2008	$ 278,466	$ 222,773	**$ 155,941**	$ 3,268.52	Not Eligible - 15 Year IRS Classification	15	7	***It is Eligible as the Federal life is 7 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
28	13343	Hart Field Communicator	2009	$ 5,712	$ 5,141	**$ 3,599**	$ 75.43	Not Eligible	5	5	Agreed
29	13349	Repair Air Compressor to extend life	2009	$ 41,837	$ 37,653	**$ 26,357**	$ 552.45	Not Eligible	5	5	Agreed
30	13350	Elevator Power Unit	2009	$ 18,827	$ 16,944	**$ 11,861**	$ 248.61	Describe mfg function	5	5	Not manufacturing related. Not eligible.
31	13368	Model T5 Scrubber	2009	$ 12,864	$ 11,578	**$ 8,104**	$ 169.87	Not eligible	5	5	***It is Eligible as it cleans equipment used in manufacturing process.***
32	13369	37 Volt Charger	2009	$ 5,331	$ 4,798	**$ 3,359**	$ 70.39	Describe mfg function	5	5	Used to power lift trucks used in warehousing and manufacturing.
33	13370	39 Volt Charger	2009	$ 5,331	$ 4,798	**$ 3,359**	$ 70.39	Describe mfg function	5	5	Used to power lift trucks used in warehousing and manufacturing.
34	13371	41 Volt Charger	2009	$ 5,331	$ 4,798	**$ 3,359**	$ 70.39	Describe mfg function	5	5	Used to power lift trucks used in warehousing and manufacturing.
35	13372-13373	End Control Pallet Truck	2009	$ 20,492	$ 18,443	**$ 12,910**	$ 270.59	Describe mfg function	5	5	Used to transport materials used in the manufacturing process.
36	13374-13375	Narrow Aisle Deep Reach Truck	2009	$ 73,714	$ 66,343	**$ 46,440**	$ 973.38	Provide description of M&E and Mfg function	5	5	Pallet trucks used to transport and store materials used in the manufacturing
37	13376-13377	Stand-up Counter Balanced Rider	2009	$ 58,056	$ 52,250	**$ 36,575**	$ 766.62	Provide description of M&E and Mfg function	5	5	Pallet trucks used to transport and store materials used in the manufacturing
38	13378	Build Smart Aluma Lift - Model 351	2009	$ 13,836	$ 12,452	**$ 8,717**	$ 182.70	Provide description of M&E and Mfg function	5	5	Lift used to transport and store materials used in the manufacturing process.
39	13389	Robsto Asymmetric Equip Hopper FL70 SS	2009	$ 35,268	$ 31,741	**$ 22,219**	$ 465.71	Describe mfg function	5	5	Tank used to store materials used in manufacturing.
40	13439	System 604-Mfg. Eq. Water Pre-Treatment System	2009	$ 873,737	$ 786,363	**$ 550,454**	$ 11,537.52	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
41	13441	System 606- Mfg Eq. Purified Water Storage & Dist.	2009	$ 782,320	$ 704,088	**$ 492,862**	$ 10,330.38	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
42	13442	System 610-621 Mfg Eq. Waste Water Collection System	2009	$ 564,003	$ 507,603	**$ 355,322**	$ 7,447.55	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
43	13443	System 621 Mfg Eq - Clean Steam Generation System	2009	$ 378,797	$ 340,917	**$ 238,642**	$ 5,001.94	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.

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44	13446	**System 642 - Acetic Acid Venturi Scrubber Equip**	2009	$ 143,496	$ 129,146	**$ 90,402**	$ 1,894.84	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
45	13447	**System 644 - Mfg Eq. Instrument Compressed Air System**	2009	$ 620,256	$ 558,230	**$ 390,761**	$ 8,190.36	Not Eligible - 15 Year IRS Classification	15	5	***It is Eligible as the Federal life is 5 years.*** 15 Years represents the Book life. This is equipment used in the manufacturing process.
		Total Adjustments Listed				**$ 9,553,575**	**$ 200,242.93**				