

Personal Property Tax

DECEMBER 2012

Personal Property Tax

Most people know that property tax applies to real property, however, some may not know that property tax also applies to personal property. Most personal property owned by individuals is exempt. For example, household goods and personal effects are not subject to property tax. However, if these items are used in a business, property tax applies. Personal property tax does not apply to business inventories, or intangible property such as copyrights and trademarks.

Personal property is subject to the same levy rate as real property. The characteristic that distinguishes real and personal property is mobility. Real property includes land, structures, improvements to land, and certain equipment affixed to land or structures. Personal property includes machinery, equipment, furniture, and supplies of businesses and farmers. It also includes any improvements made to land leased from the government (leasehold improvements).

Administration

By state law, the county assessor is responsible for the assessment of real and personal property, including the calculation of taxes. The treasurer is responsible for the billing and collection of the taxes based on the "tax roll" received from the assessor. The Department of Revenue is also involved in the administration of property taxes and advises assessors and treasurers on how to assess property to assure uniformity of assessment and taxation throughout the state.

Personal Property Tax Forms:

If you use personal property that is not exempt, you must complete a Personal Property Tax Listing Form by **April 30** each year. Listing forms are available from your local county assessor's office. The listing must identify all taxable property located in the county as of noon on **January 1**. The assessor uses this information to value property for taxes due the following year.

As a property owner, you are responsible for filing a personal property listing each year that you have taxable property even if you do not receive the form by mail. If you have multiple business locations, you must complete a separate listing for each location. The assessed value is allocated to the taxing district based on where the property is located.

When completing the form you must:

- List all assets you own or control as of **January 1**, including those assets fully depreciated in your accounting records, and assets in storage.
- Identify each personal property category. For example, office equipment should be broken into separate categories of personal computers, network servers, printers, phones, etc.
- Include the total purchase cost of each item. This excludes sales or use tax, but includes costs to make the item usable such as installation and freight.
- Include the date each item was acquired.

Once property is listed on the tax rolls, the assessor mails a new listing form each year. You then have an opportunity to add or delete property, as appropriate, and return the form to the county assessor by **April 30**.



