

**MARSHA M. FAUX CFA, ASA
POLK COUNTY PROPERTY APPRAISER**



TANGIBLE PERSONAL PROPERTY

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TANGIBLE PERSONAL PROPERTY

Tangible Personal Property is everything other than real estate that has value by itself. It includes such things as furniture, fixtures, tools, machinery, household appliances, signs, equipment, leasehold improvements, supplies, leased equipment, and any other equipment used in a business or to earn income.

Tangible Personal Property also includes attachments to mobile homes located in mobile home parks or on rented land, such as air conditioning, skirting, carports, screened rooms, etc.

WHO IS REQUIRED TO FILE A TANGIBLE PERSONAL PROPERTY TAX RETURN?

Every new business must file an initial tangible personal property tax return by April 1st of the year after the business opens. The initial return is required if the business owns or leases any personal property, without regard to the value of that personal property. In subsequent years, however, no return is required unless the combined value of all the business' equipment is more than \$25,000.

OBTAINING A RETURN FORM

Early each year, we mail a tangible personal property tax return to the last known address of all accounts valued at more than \$25,000 in the previous year. Note, however, that if you own tangible personal property worth more than \$25,000, you must file a return even if you do not receive a return from us. If you do not receive your form, you should call to ask us to mail you another. You can also download the form from the Downloads page of our website, www.polkpa.org.

RECEIVING MORE THAN ONE TAX RETURN

If you have more than one location, the assets of each location should be reported separately. We have more than 40 taxing districts and the tax rates vary from district to district.

DEADLINES AND PENALTIES

The **DEADLINE** for filing a timely return is April 1st. **In order to qualify for exemption, a return must be filed timely.** After April 1st, Florida Statutes provide that penalties will be applied at 5% per month or portion of a month that the return is late. A 15% penalty is required for unreported property and a 25% penalty if no return is filed at all (unless filing requirement was waived).

IMPORTANT DATES

January 1: Date of Assessment

March 1: All exemption applications must be filed

April 1: Deadline for tangible tax return

August: Notice of proposed property tax mailed

September: Value Adjustment Board petition filing

November 1: Tax bills sent by the Tax Collector

IF I AM NO LONGER IN BUSINESS, SHOULD I STILL FILE THE RETURN?

If you were not in business on January 1st, follow this procedure:

1. On your return, indicate the date you went out of business and the manner in which you disposed of your business assets. Remember, if you still have assets you must report them.
2. Sign and date the return.
3. Mail the return back to this office.
4. If you sold the business, please provide the name and contact information of the buyer.
5. If some items were disposed prior to sale, please indicate which items were disposed and which were included in the sale.

WHAT IF I HAVE OLD EQUIPMENT THAT HAS BEEN FULLY DEPRECIATED AND WRITTEN OFF THE BOOKS?

Whether fully depreciated on your accounting records or not, all property still in use or in your possession should be reported.

DO I HAVE TO REPORT ASSETS THAT I LEASE, LOAN, RENT, BORROW OR ARE PROVIDED IN THE RENT?

Yes, list this equipment on the first page, Schedule 1. Even though the assets are assessed to the owner, they must be listed for information purposes.

IS THERE A MINIMUM VALUE THAT I DO NOT HAVE TO REPORT?

No, there is no minimum value. The initial return described on the previous page must be filed by April 1st of the year after you start your business. Unless your filing requirement is waived, you must show all prior year additions on your return, without regard to cost.

IF I RENT MY FURNISHED HOME OR CONDO FOR A FEW MONTHS, SHOULD I FILE A TANGIBLE PERSONAL PROPERTY TAX RETURN?

Yes, since rental activity is of an income producing nature, you must file a return which lists your personal property. Items that should be listed include: Draperies, furniture, appliances and any other personal property included in the rental unit.

WHO IS RESPONSIBLE FOR THE TAXES IF I BUY OR SELL AN EXISTING BUSINESS DURING THE YEAR?

Tangible personal property taxes will be billed to the owner of record. Therefore, when the owner of record changes, the buyer becomes responsible for payment of the taxes. Most title companies do not do a title search of the assets of a business. You should, therefore, consult your real estate agent, attorney, or closing agent to avoid problems in this area.

IS A MOBILE HOME CONSIDERED REAL OR TANGIBLE PERSONAL PROPERTY?

If you own both the land and the mobile home, the mobile home is considered real property. If you do not own the land but do own the mobile home you are required to purchase a decal for your mobile home. Any attachments (air conditioning, skirting, aluminum rooms, carports, etc.) to the mobile home are personal property. If no decal is purchased for the mobile home, both the mobile home and the attachments are considered personal property and will be taxed as such.

WHAT IF I DON'T AGREE WITH THE ASSESSED VALUE?

Each August, we mail a Notice of Proposed Property Taxes (TRIM Notice) to all owners of tangible personal property valued over \$25,000. This notice discloses our estimate of the just value of your tangible personal property. If you believe our estimate is too high, you should call or come by our office to discuss the matter with us. We will consider any relevant information you provide and change the assessment, if appropriate. You also have appeal options through the Value Adjustment Board.

WHAT ABOUT THE TPP EXEMPTION?

In order to qualify for exemption, businesses must a return by April 1st. New businesses must file an initial return, even if the value of the equipment listed on the return is less than \$25,000 in order to be considered for an exemption.

Mobile home attachments and appurtenances are qualified for the exemption. Mobile homes assessed as tangible personal property do not qualify. If your property consisted of mobile home attachments with a value of \$25,000 or less last year, you will not receive a TPP Return form, you will be mailed a Waiver of Mobile Home Attachments (TPP) Return instead. If there are no changes and the value is still \$25,000 or less as of January 1 of this year, no filing is required. If your value is greater than \$25,000 you are required to file a TPP Return, **by April 1.**

WHAT IF I DO NOT FILE A RETURN?

When a tax return is not filed by April 1st, we are required to place an assessment on the property. This assessment represents an estimate based on the value of businesses with similar equipment and assets. Being assessed does not alleviate your responsibility to file an accurate return.

HINTS AND SUGGESTIONS

- File the original return from this office (with name, account number, and barcode preprinted) as soon as possible before April 1st. Be sure to sign and date your return.
- Work with your accountant or C.P.A. to identify any equipment that may have been "Physically Removed." List those items in the appropriate space on your return
- Attach a current asset listing or depreciation schedule that identifies each piece of equipment to your completed return. It is to your advantage to provide the asset listing, since depreciation on each item may vary.
- If you have equipment that is permitted under the Department of Environmental Protection you may qualify for a reduction in value. Check with our office for more information.
- When listing your equipment, do not use vague terms such as "various" or "same as last year."
- If you do not know the age or original cost of an item, write a brief explanation right on the return along with your estimate of the fair market value of the equipment.
- Additional information regarding filing is provided on the instruction sheet which is available for download on our website, www.polkpa.org.
- If you sell your company, go out of business, or move to a new location, please inform this office. Your courtesy notification is of critical importance in keeping our records up to date and accurate.