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Questions and Answers About Tangible Personal Property in Rental Units

Q. Why are furnishings and equipment in rental dwellings considered taxable?

A. Florida Statute 196.001 states that all real and personal property in this state shall be subject to taxation, unless expressly exempted from taxation. Furnishings and equipment in rental dwellings are taxable because they are, by definition, personal property. The exemption of household goods and personal effects authorized by F.S. 196.181 is available only to those residing and making his or her permanent home in Florida. Florida Administrative Code 12D-7.002 states clearly that, when present in rental dwelling units, such items are taxable.

Q. I bought this property after January 1st. Why do I have to pay taxes for the whole year?

A. Just as with real estate, when tangible personal property sells, we list it under the new owner's name on the tax roll. By law¹, if a property is in use as a furnished residential rental on January 1st, it is taxed as a furnished residential rental for the entire year, **even if the buyer puts it to a different use (such as owner-occupied)**. Florida has no provision for dividing a single year's tax bill between the buyer and seller.

Q. What do I need to know about the Tangible Personal Property Tax Return?

A. The owner of Tangible Personal Property (TPP) is required to file a Tangible Personal Property Tax Return.² The return is due each year on April 1³. Extensions of up to 45 days are available,⁴ and penalties apply for late filing, non filing, and under reporting. The tax return forms may be downloaded from the Forms and Documents section of our website, www.polkpa.org.

The front side of the Tangible Personal Property Tax Return is used to report identifying information such as owner's name and address; property location, type of business, etc. Leased equipment may also be shown on this side of the form. The owner or preparer must sign and date the front side of the tax return. If prepared by someone other than the owner, a current letter of authorization should be attached to the tax return.

The back side of Tangible Personal Property Tax Return is used to report details about taxable TPP. The preparer should list a reasonably specific description, year purchased, age

¹ F.S. 192.042(2)

² F.S. 193.052(1a)

³ F.S. 193.062(1)

⁴ F.S. 193.063

⁵ F.S. 193.072

(if not new at time of purchase), condition, and original installed cost. If an estimate of fair market value is offered, the preparer should attach written support for that estimate. With residential rental property in short term rental subdivisions, the description is often simply, "furniture package." While this is sufficiently specific for the initial purchase, later additions should be more specific. If a newly acquired item replaces a similar item included in the initial package, the preparer should reduce the reported original cost of the initial package accordingly.

Q. How do I know whether or not to report an item as tangible personal property?

A. Personnel in the Tangible Personal Property Department are trained to ignore items which are not taxable as tangible personal property. For example, if a return lists a swimming pool as TPP, the appraisal technician will not include the pool in the tangible value because it is valued with the real estate. While not a complete list, this chart identifies many items found in residential rental property and indicates whether each item is deemed TPP or real estate:

Items Present in Residential Rental Unit	Classification
Furniture package include in initial purchase	TPP
Furniture (couches, chairs, tables, lamps, bookcases, beds, Mattresses, end tables, entertainment centers, etc.)	TPP
Portable appliances (microwave oven, clothes washer, clothes dryer, rolling dishwasher, refrigerator, countertop cooking devices, e t c .)	TPP
Built-in appliances (range, wall oven, exhaust fan, garbage disposal, installed dishwasher, etc.)	Real Estate – do not report
Pool maintenance equipment, diving board, slide, pool/patio furniture	TPP
Pool Filter equipment, pool heater, pool deck, screen encl.	Real Estate – do not report
Window unit air conditioner	TPP
Central air conditioning system	Real Estate – do not report
Fire alarm, security system, intercom system	TPP
Window treatments (blinds curtains, drapes, etc.)	TPP
Paintings, display art sculptures, decorative mirrors	TPP
Dishes, eating/cooking utensils pots pans	TPP
Linens (beds sheets, bath towels, dish towels, etc.)	TPP
Electronics (TV, stereo, VCR, DVD, satellite dish, Telephone, radio, etc.)	TPP
Lawn irrigation system, garage door opener, ceiling fans	TPP
Cleaning and lawn maintenance equipment	TPP
Golf cart	TPP
Supplies	TPP
Land and building	Real Estate – do not report
Floor cover, paint/wallpaper, cabinets	Real Estate – do not report
Porch, patio, other measurable additions	Real Estate – do not report
Landscaping, driveway, walkway	Real Estate – do not report
Building repairs	Real Estate – do not report

Q. What can I do if I have questions?

Our Tangible Personal Property team members will be happy to answer your questions.

- ✓ Call (863) 534-4777 Monday through Friday, 8:00 to 4:30 Eastern
- ✓ Fax (863) 534-4789.
- ✓ E-mail patpp@polk-county.net
- ✓ Write to the address at the top of the first page.