

## BUSINESS PERSONAL PROPERTY FAQs

Property falls into two major categories: real property (land and buildings) and personal property. The primary difference between the two categories is that personal property is able to be moved from one location to another and typically includes most machinery, equipment, furniture and fixtures associated with commercial, industrial, or agricultural enterprises.

Below you will find answers to some frequently asked questions regarding business personal property.

Additional information about personal property is available from the **Washington State Department of Revenue** in their **Personal Property Tax** and **Homeowner's Guide to Property Tax** publications.

### Frequently Asked Questions

#### Who does Personal Property affect?

In Washington State, the listing of business personal property is a self-reporting system. Per **WAC 458-12-060**, all businesses in the state are responsible for filing a listing of their personal property each year with their county Assessor, even if a listing form has not been provided to use. If you own any business related personal property in Spokane County, you are required to file a personal property listing.

#### How is this different than other taxes I pay?

Property tax is a locally-assessed state tax based on the assessed value of your real and/or personal property. Taxes reported to the federal or state governments directly are most commonly based on transactions like income or sales, not on property values.

Personal property tax is listed, assessed, and paid at the county level to fund the same local services as real property taxes. Examples include public schools, county services & operations, cities & towns, libraries, parks & recreation, emergency medical, hospitals, fire departments, and ports. See **WAC 458-12-110** for failure to file personal property listing.

#### How do I file a business personal property listing?

Electronic filing via our Business Property Efile portal is encouraged for all businesses and required for businesses with lengthy asset detail lists. To file electronically, go to <http://www.spokanecounty.org/assessor/efile> to enroll and receive your login information via email.

An Excel form is available in our FORMS & DOCUMENTS section for first-time filers.

Paper listings are mailed out in January each year to existing business personal property accounts. If you have not received a listing form by the end of February, please contact our office so we can verify your account information.

#### How do I complete a paper listing?

Instructions for completing the paper listing form are included with the form. If you have a CPA or other tax professional who handles your property taxes, they will likely be familiar with the process.

In most cases, if you provided an asset list in a prior year, that list will be included on the following year's listing form. This allows you to simply cross-out assets you have removed from your business, and write-in assets you acquired during the previous year. The desired result is a current list of all assets used by the business as of the yearly January 1 lien date.

### **Do I need to submit a listing even if there were no changes to my business assets last year?**

Yes. The law requires each business to file a listing yearly even if there are no changes from the previous year.

### **What is the penalty for not filing a listing by April 30 each year?**

According to **RCW 84.40.130**, a penalty of 5% of the amount of the following year tax is assessed for each month the listing is late up to a maximum of 25%. This is a percentage of the taxes due, not a percentage of the value.

Spokane County considers a government postmark of April 30<sup>th</sup> as a timely filing. Hand-delivered listings are date stamped by our office on the date received, and listings submitted electronically are automatically date-stamped. A postage meter stamp is NOT considered proof of timely filing.

### **What does the Assessor's Office do with the information I report?**

Our office is legally prohibited from sharing your asset information with other parties without your express approval. The security and confidentiality of your asset list is one of our highest priorities, along with the accuracy of our assessments.

The Washington State Department of Revenue issues **valuation guidelines** annually so all Assessor's Offices in the state can assess the value of personal property uniformly. Based on the asset descriptions provided, the most appropriate depreciation trend is located in those guidelines. The trend, when used in conjunction with the year of purchase, allows us to determine a "percent good" for each asset. The percentage is then multiplied by the asset cost to arrive at the current value for each asset.

The individual asset values are totaled to arrive at the current assessed value for all your personal property, which is provided annually on a Personal Property Assessment Notice. Since this process relies so heavily on what is reported, we always ask for the clearest and most accurate information available. Unclear asset descriptions can lead to incorrect trends, which can impact your assessment as much as an incorrectly reported cost or year.

### **I received a form titled "Personal Property Assessment Notice". What is it?**

It is a summary of the assessed value of all the business assets you reported owning as of January 1<sup>st</sup> on your listing. Per **RCW 84.40.030**, the Assessor's Office is required to value those assets each year at 100% market value.

If a business does not return a listing, the prior year's historic value is used to establish the current year value and maximum late-filing penalty is applied. Any late-filing penalty percentage will be converted into a dollar amount due on the following year's tax bill.

### **How can I get a copy of the asset detail?**

Requests for asset detail should be emailed to [Personalprop@spokanecounty.org](mailto:Personalprop@spokanecounty.org). Due to proprietary information restrictions, we can only provide a copy of the asset detail to third parties, like a tax preparer, after receiving a letter of authorization from the owner.

### **What are my options if I don't agree with my value?**

Most value disagreements on personal property accounts are the result of either an error or a misunderstanding of the process, and can usually be corrected by contacting us at [Personalprop@spokanecounty.org](mailto:Personalprop@spokanecounty.org). Whenever an error is found in your personal property assessment, regardless of cause, the Assessor's Office wants to correct it. Please email the pertinent information for us to review.

If necessary, you have the right to appeal with the Board of Equalization (BOE) thirty days from the date shown on the value notice. Late-filing penalties are not values, therefore, they cannot be appealed.

### **What is the tax (levy) rate on my personal property?**

The tax rate is based on where the personal property was located on January 1<sup>st</sup> of the assessment year, and it is the same as the real property parcel at the same location.

### **When do I pay my Personal Property taxes?**

Tax bills are mailed by the Spokane County Treasurer's Office every February. Property tax payments are due by April 30<sup>th</sup> and October 31<sup>st</sup> of each year to that office. The taxes are based on the prior year's assessment, but the Assessor's Office only has limited information about taxes beyond that. Most tax questions will be referred the Treasurer's Office.

### **What do I need to do when I close, sell, or move my business out of Spokane County?**

The current year's assessment of your business personal property results in a tax obligation (lien) per **RCW 84.56.120**. If you moved or closed your business after January 1<sup>st</sup> of this year, you are also responsible for paying the full amount of next year's tax. All taxes must be paid before the personal property is sold to another business entity. You must request a final advance tax bill by emailing [Personalprop@spokanecounty.org](mailto:Personalprop@spokanecounty.org).