2015 BUSINESS PERSONAL PROPERTY LISTING FORM INSTRUCTIONS
ORANGE COUNTY TAX OFFICE
919-245-2100

THIS IS THE 2015 PERSONAL PROPERTY LISTING FORM TO LIST ALL BUSINESS PERSONAL PROPERTY OWNED ON JANUARY 1, 2015. THIS FORM MUST BE FILED BY FEBRUARY 2, 2015. EXTENSIONS OF TIME IN WHICH TO LIST MAY BE OBTAINED BY SENDING A WRITTEN REQUEST TO THE TAX DEPARTMENT BY FEBRUARY 2. FOR MORE INFORMATION, CALL THE TAX OFFICE.

Electronic filing and requests for listing period extensions are accepted using TAXscribe. Please visit https://orange.nc.taxscribe.com

Commonly Asked Questions

Who must file a listing, and what do I list?

Any individual(s) or business(es) owning or possessing personal property used or connected with a business or other income producing purpose on January 1 must file a listing. Temporary absence of personal property from the place at which it is normally taxable shall not affect this rule. For example, a lawn tractor used for personal use to mow the lawn at your home is not listed. However, a lawn tractor used as part of a landscaping business in this county must be listed if the lawn tractor is normally in this county, even if it happens to be in another state or county on January 1. **PLEASE NOTE: This form must be returned even if you have no property to list.**

When and where to list?

Listings are due on or before February 2. As required by state law, late listings will receive a penalty. An extension of time to list may be obtained by sending a written request showing "good cause" to the Tax Office by February 2. Extensions will not be granted by telephone.

How do I list? Three important rules:

(1) Read the INSTRUCTIONS for each schedule or group. Contact your county tax office if you need additional clarification.
(2) If a Schedule or Group does not apply to you, indicate so on the listing form. **DO NOT LEAVE A SECTION BLANK. DO NOT WRITE "SAME AS LAST YEAR". A listing form may be rejected for these reasons and could result in late listing penalties.**
(3) Listings must be filed based on the tax district where the property is physically located (**a separate listing is required per business location**). If you have received multiple listing forms, each form must be completed separately.

Information Section

- Filing status – check the status that applies to your business
- Business category – type of business
- Physical address – location of the property. Post office boxes are not acceptable.
- Contact person for audit –additional information or verification may be obtained by contacting this person
- If out of business – list date ceased operation in county, and provide information regarding new owner if applicable

Note: If you purchased an existing business and its assets since January 1, 2014 do not complete this listing form without first contacting the county tax office for further instructions at 919-245-2100.

Schedule A – Personal Property

Property included in this schedule is to be reported as of January 1. Taxpayers with a fiscal year other than December 31 will have to update their records to the January 1 reporting date.

The year acquired column: The rows which begin "2014" are the rows in which you report property acquired during the calendar year 2014. Other years follow the same format.

Schedule A contains eight (8) groups. Each is addressed below. List under "Current Years Cost" the 100% cost of all depreciable personal property in your possession on January 1. Include all fully depreciated assets as well. Please round amounts to the nearest dollar. Use the "Additions" and "Deletions" columns to explain changes from "Prior Yr. Cost" to "Current Yr. Cost". The "Prior Years Cost" plus "Additions" minus "Deletions" should equal "Current Years Cost". If there are any additions and/or deletions, please note those under Schedule C, Detail of Acquisitions and Disposals. If the deletion is a transferred or paid out lease, please note this, and to whom the property was transferred.

COST - Note that the cost information you provide must include all costs associated with the acquisition as well as the costs associated with bringing that property into operation. These costs may include, but are not limited to invoice cost, trade-in allowances, freight, installation costs, sales tax, expensed costs, and construction period interest.

The cost figures reported should be historical cost; that is the original cost of an item when first purchased, even if it was first purchased by someone other than the current owner. For example, you, the current owner, may have purchased equipment in 2003 for $100, but the individual you purchased the equipment from acquired the equipment in 1998 for $1000. You, the current owner, should report the property as acquired in 1998 for $1000.

Property should be reported at its actual historical installed cost IF at the retail level of trade. For example, a manufacturer of computers can make a certain model for $1000 total cost. It is typically available to any retail customer for $2000. If the manufacturer uses the computer for business purposes, he should report the computer at its cost at the retail level of trade, which is $2000, not the $1000 it actually cost the manufacturer. Leasing companies must list property they lease at the retail trade level, even if their actual cost is at the manufacturer or wholesaler level of trade.

Group (1) Machinery & Equipment

This is the group used for reporting the cost of all machinery and equipment. This includes all store equipment, manufacturing equipment, production lines (hi-tech or low-tech), as well as warehouse and packaging equipment. Tractors, heavy farm machinery, heavy construction equipment, and logging equipment should be listed in this section. All other farm equipment should be listed in Schedule G. List the total cost by year of acquisition, including fully depreciated assets that are still connected with the business.

For example, a manufacturer of textiles purchased a knitting machine in October 2006 for $10,000. The sales tax was $200, shipping charges were $200, and installation costs were $200. The total cost that the manufacturer should report is $10,600, if there were no other costs incurred. The $10,600 should be added in group (1) to the 2006 current year's cost column.

Group (2) Construction in Progress (CIP)

CIP is business personal property which is under construction on January 1. The accountant will typically not capitalize the assets under construction until all of the costs associated with the asset are known. In the interim period, the accountant will typically maintain the costs of the asset in a CIP account. The total of this account represents investment in personal property, and is to be listed with the other capital assets of the business during the listing period. Please list in detail. If you have no CIP, write "none".

Group (3) Office Furniture & Fixtures

This group is for reporting the costs of all furniture & fixtures and small office machines used in the business operation. This includes, but is not limited to, file cabinets, desks, chairs, adding machines, curtains, blinds, ceiling fans, window air conditioners, telephones, intercom systems, and burglar alarm systems.

Group (4) Computer Equipment

This group is for reporting the costs of non-production computers & peripherals. This includes, but is not limited to, personal computers, midrange, or mainframes, as well as the monitors, printers, scanners, magnetic storage devices, cables, & other peripherals associated with those computers. This category also includes software that is capitalized and purchased from an unrelated business entity. **Note: The development cost of software or any modification cost to software, whether done internally by the taxpayer or externally by a third party to meet the customer's specified needs is excluded and should not be reported.** This does not include high tech equipment such as proprietary computerized point of sale equipment, high tech medical equipment, computer controlled equipment, or the high-tech

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computer components that control the equipment. This type of equipment would be included in Group (8) or "Other".

Group (5) Improvements to Leased Property

This group includes improvements made by or for the business to real property leased or used by the business. The improvements may or may not be intended to remain in place at the end of the lease, but they must still be listed by the business unless it has been determined that the improvements will be appraised as real property by the county for this tax year. Contact the county to determine if you question whether these improvements will be appraised as real property for this tax year. If you have made no improvements to leased property write "none". Do not include in this group any Store Equipment-Group (1) or Office Furniture and Fixtures-Group (3).

Group (6) Expenditure Items

This group is for reporting any assets which would typically be capitalized, but due to the business' capitalization threshold, they have been expensed. Section 179 expensed items should be included in the appropriate group (1) through (4). Fill in the blank which asks for your business' "Capitalization Threshold." If you have no expensed items, write "none".

Group (7) Supplies

Almost all businesses have supplies. These include normal business operating supplies. List the cost on hand as of January 1. Remember, the temporary absence of property on January 1 does not mean it should not be listed if that property is normally present. Supplies that are immediately consumed in the manufacturing process or that become a part of the property being sold such as packaging materials or raw materials for a manufacturer; do not have to be listed. Even though inventory is exempt, supplies are not. Even if a business carries supplies in an inventory account, they remain taxable.

Group (8) Other

This group will not be used unless instructed by authorized county tax personnel.

Schedule B – Unlicensed Vehicular Equipment, Multi-Year and IRP Tagged Vehicles

All vehicles titled in your name on January 1 which are not licensed should be reported in this section. Vehicles do not include fork lifts or commercial and industrial tractors. These should be included under machinery and equipment in Schedule A, Group (1).

The vehicle identification number (VIN) must be included for each vehicle. If a body such as a dump truck, special equipment, or crane is mounted on the vehicle, list the body separately showing the total installed cost and the year acquired. If your records do not allow you to do this, you may list the truck and body as one unit, but indicate you have done so.

*Important – All standard licensed vehicles will be billed through a separate process, and therefore, should not be listed under Schedule B of this form. **However, all multi-year and IRP tagged vehicles should be listed.**

Schedule C – Detail of Acquisitions and/or Disposals

All machinery, equipment, furniture, fixtures, and computers/software acquired since January 1, 2014 should be itemized showing the total installed cost of each item. In addition, all disposals made since January 1, 2014 should be itemized in detail in the appropriate columns. IMPORTANT: The acquisition year and original cost must be given for disposals.

Schedule D – Detail of Additions and/or Deletions to Leasehold Improvements

Describe any additions or deletions to leasehold improvements taking care to itemize so that real and personal property can be differentiated. State the owner of the real property and its location. Please list any new construction or improvements to real estate if applicable.

Schedule E – Leased Property or Other Property in Your Possession That Is Owned by Others

Leased Equipment – If you had any personal property owned by others in your possession on January 1, you must report the owner, property description, lease information, and selling price new. Examples: copiers, vending equipment, business machines, computers, machinery, furniture, game machines, and postage meters.

Leased Vehicular Equipment – Report vehicles of all types that were in your possession on January 1. Name of owner, year, make, vehicle identification or serial number, date of lease, special bodies or equipment, and selling price new must be given.

Schedule F – Other Miscellaneous Personal Property

Aircraft owned by you on January 1 must be reported showing the model year, manufacturer, model or series, hanger or tie-down location, original cost, and date acquired. Additional equipment and avionics not included in the original cost should be listed separately.

Boats and boat motors owned by you on January 1 must be listed showing year, make, size, marina or other location, date acquired and cost, including any trade-in or equipment added.

Mobile homes or mobile offices owned by you on January 1 must be reported showing year, make, size, mobile home park location, date acquired, and cost.

Schedule G – Resale Value of All Other Farm Equipment

Please state the January 1 resale value of all farm equipment not listed in Schedule A, Group (1).

Schedule H – Billboards and Outdoor Advertising Structures

Please provide details regarding billboards and outdoor advertising structures on a separate schedule H-1 which may be obtained on Orange County's website: www.orangecountync.gov/assessor

Affirmation

If the form is not signed by an authorized person, it will be rejected and could be subject to penalties. The Affirmation section describes who may sign the listing form.

Any person who willfully attempts, or who willfully aids or abets any person to attempt, in any manner to evade or defeat the taxes imposed under Subchapter II of Chapter 105 of the Revenue Laws, whether by removal or concealment of property or otherwise, shall be guilty of a Class 2 misdemeanor (punishable by imprisonment up to 6 months).

All listings are subject to being audited at any time. Returns are routinely compared to state tax returns as filed with the North Carolina Department of Revenue.

Mailing

Tax listing forms should be completed and returned to:

Orange County Tax Office
Business Section
P.O. Box 8181
Hillsborough, NC 27278

Listings submitted by mail are deemed to be filed as of the date shown on the postmark affixed by the U.S. Postal Service. If no date is shown on the postmark, or if the postmark is not affixed by the U.S. Postal Service (for instance your own postage meter) the listing shall be deemed to be filed when received in the office of the assessor.