



PERSONAL PROPERTY LISTING INSTRUCTIONS

ISLAND COUNTY ASSESSOR

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RCW 84.40.020 requires that each person in the State Of Washington report to the county assessor that property which was in his/her possession as of January 1 of the assessment year.

WHO MUST FILE – BURDEN ON TAXPAYER TO LIST (WAC 458-12-060)

Every person, firm or corporation, regardless of residency, who owns or controls personal property not specifically exempted by law located in this state as of 12 noon on January 1st, shall be required to annually submit a personal property listing and statement. Such listing and statement shall be due regardless of whether or not the assessor has provided notice of such listing to the individual taxpayer.

PENALTY FOR FAILURE OR REFUSAL TO LIST (RCW 84.40.130) If any person or corporation shall fail or refuse to deliver to the assessor on or before April 30th of the assessment year, a signed personal property listing, unless due to reasonable cause, there shall be added to the amount of tax, five percent (5%) per month or fraction thereof, not to exceed twenty-five percent (25%) of the total tax.

PERSONAL PROPERTY is defined as, but not limited to: those items of property used in the course of producing income or livelihood that are not considered land, yard improvements, buildings or fixed-in-place production machinery. A sampling of items to be included in the annual listing of personal property is: rental equipment, portable maintenance equipment; mobile equipment not licensed for highway travel; office equipment including libraries; agricultural machinery of all kinds; business signs; computer systems including software and license fees; portable structures of all kinds not assessed as realty; etc. **REPORT ALL ASSETS, WHETHER DEPRECIATED, CAPITALIZED OR EXPENSED.** If "LUMP" sums for like equipment is reported, the correct depreciation may not be recognized, nor will depreciation be acknowledged.

A PERSONAL PROPERTY LISTING MUST:

- Include all assets owned as of January 1st, including those assets fully depreciated in your accounting records, all assets that are in storage (identify those items as "in storage") and any leasehold improvements.
- Identify each taxable category. For example, office equipment should be broken into separate categories, i.e. personal computers, network servers, furniture, phone equipment, copiers, fax machines, mailing equipment, etc. Construction equipment needs to be listed by type e.g. excavator, loader, back-hoe, etc.
- Include the date each item was acquired.
- Include the total purchase cost of each item, excluding sales tax. This cost of the item must include all costs to make the equipment useable. For example, freight and values of trade-ins.
- **MUST** be returned and signed by an owner /officer or an authorized agent no later than April 30th every year.

SUPPLIES:

Enter cost of items that do not become ingredients or components of articles for sale. Examples are: office, shop, janitorial or medical supplies, brochures and promotional materials, fuel, spare parts, etc. Enter cost of supplies used (1/12th of annual supply expense) DO NOT include expensed equipment in the reported supplies figure. Please report expensed equipment separately as "miscellaneous equipment."

COMPUTER EQUIPMENT:

Report hardware and software separately. Identify hardware by type (i.e. personal computers, mainframe, servers, printers, modems, etc.) where possible.

SOFTWARE:

Identify type of software as either canned or custom.

LEASED EQUIPMENT:

Leased Equipment, including equipment leased under a lease-purchase contract, is subject to the personal property tax. As the legal owner, the lessor must file an annual personal property affidavit with the Assessor in each county where leased equipment is located. Report all equipment being leased by you as of January 1st. Include a description of the equipment, the lessor's name, complete mailing address, lease and/or asset number(s), start date and full price of equipment leased on the back side of the listing form.

PLEASE ATTACH A COPY OF YOUR MOST CURRENT DEPRECIATION SCHEDULE OR ASSET LIST

PERSONAL PROPERTY LISTING INSTRUCTIONS

CHANGE OF OWNERSHIP OR LOCATION

Report any change of ownership, mailing address or business location to the Assessor promptly. If you have sold, closed or moved the business contact the Assessor's Office immediately with the details.

HEAD OF FAMILY EXEMPTION

\$15,000 HEAD OF FAMILY EXEMPTION (RCW 84.36.120) Granted to a SOLE PROPRIETOR (male or female) of the listed property who meets ONE of the following requirements:

1. head of family;
2. surviving spouse (not remarried);
3. person receiving an old-age pension; or
4. person over the age of 65 who has resided in Washington State for 10+ years.

The exemption reduces by \$15,000 the assessed value shown on the assessment notice. Head of Family exemption is NOT granted to corporations, partnerships, or any forms thereof. *Qualified taxpayers are allowed only one exemption per year statewide. (RCW84.36.110)*

FARM MACHINERY AND EQUIPMENT EXEMPTION

Under RCW 84.36.630, all qualifying farm machinery and equipment is exempt from the state portion of the property tax. Qualifying machinery and equipment must be (1) owned by an active farmer, (i.e. someone who is in the business of farming), and (2) the equipment must have been used in the business of farming during the year the claim for exemption is made. Additionally, equipment claimed for exemption must also have been used exclusively in growing, raising, or producing agricultural products.

Equipment **not qualifying** includes:

1. equipment used to produce products used as ingredients of a manufacturing process,
2. equipment used in growing, raising, or producing agricultural products for a person's own consumption,
3. equipment used in the selling of animals from stockyards. Slaughterhouses and
4. equipment used in cultivating or raising timber.

The claim for exemption **must be submitted annually** with the personal property affidavit in the county for which the affidavit is made. For a listing of qualifying farming activities refer to RCW 82.04.213 and RCW 15.85.020.

To request an application for the Farm Machinery and Equipment Exemption, call (360) 678-7854

ASSESSMENT NOTICES

A value notice will be sent once the property assessment is made. You should review the value on this notice and notify us if you believe it is incorrect. The sooner this is done the easier it is to correct. The auditor-appraiser will review the assessment with you and process needed changes.

An appeal can be filed if the assessment is thought to be incorrect or excessive. Appeals must be filed with the Board of Equalization by July 1 of the assessment year, or no later than thirty (30) days after the notice is mailed, whichever is later (WAC 458.14.056).

Appeals filed after that date will not be accepted.

Questions about your business Personal Property?

- Contact the auditor-appraiser at (360) 678-7866
- Download the pamphlet regarding Personal Property from the State of Washington Department of Revenue's website.

USE THE REVERSE SIDE OF THE LISTING FORM TO REPORT CHANGE OF OWNERSHIP, MAILING OR LOCATION ADDRESS, ** LEASEHOLD IMPROVEMENTS AND ANY LEASE INFORMATION.**

****LEASEHOLD IMPROVEMENTS**:**

Refers to additions and improvements made by a tenant/lessee to land and/or buildings you do not own.

Send all correspondence to: Island County Assessor
1 NE 7th Street
Coupeville, WA 98239