INSTRUCTIONS FOR COMPLETING THE TANGIBLE PERSONAL PROPERTY SCHEDULE FOR REPORTING COMMERCIAL AND INDUSTRIAL PERSONAL PROPERTY

Tennessee law provides that a **TANGIBLE PERSONAL PROPERTY SCHEDULE** shall annually be completed by all partnerships, corporations, other business associations not issuing stock, and individuals operating for profit as a business or profession, including manufacturers, except those whose property is entirely assessable by the Office of State Assessed Properties. These instructions for completing the schedule are in accordance with the TENNESSEE CODE ANNOTATED, Title 67. Chapter 5, Parts 6 and 9, and with rules for the assessment of commercial and industrial tangible personal property promulgated by the Tennessee State Board of Equalization.

The completed **TANGIBLE PERSONAL PROPERTY SCHEDULE** is to be returned to the local Assessor of Property on or before **March 1** of each year. Failure to file the schedule will result in a forced assessment, and you will be subject to a penalty as provided by T.C.A. § 67-5-903(c).

The data reported on the schedule is to include all tangible personal property used or held for use in your business or profession as of January 1, including, but not limited to, furniture, fixtures, machinery, equipment, raw materials, and supplies. **All assessable items must be included in this schedule whether or not fully depreciated on your accounting records.**

Do not report growing crops, the direct product of the soil in the hands of the producer or his immediate vendee, finished goods in the hands of the manufacturer, or inventories of merchandise held for sale or exchange. Also, property in transit through the state to a final destination outside the state is deemed not to have acquired a situs in Tennessee for the purpose of ad valorem taxation. Property imported from outside the United States, held in a foreign trade zone or subzone, and then exported directly to a location outside Tennessee is exempt from personal property taxation.

Tennessee Code Annotated § 67-5-903(b) permits a taxpayer to certify that the **depreciated value** of tangible personal property otherwise reportable on the form is $1,000 or less in lieu of detailing acquisition cost. Therefore, if you feel the **depreciated value** of your tangible personal property, including leased equipment and nonstandard equipment is $1,000 or less you may so indicate by marking the box on the back of the schedule and signing in the appropriate place. Such certification may result in you being subject to penalties for perjury and subject to statutory penalty and costs if it is later determined the certification is false. All schedules are subject to audit and you may be required as part of an audit to list and document cost for equipment used in your business.

The following instructions for each section are intended as a general guide. If you have further questions regarding the schedule, contact the local assessor's office for assistance.

PART I. GENERAL DATA

Provide the requested information regarding the identification and location of the business. Make any needed corrections to the business name or mailing address.

PART II. OWNED PERSONAL PROPERTY

For each group of property, list the total original cost to you by year acquired under "Revised Cost." Original cost is defined as the gross capitalized cost before depreciation. If "Cost on File" is printed and has not changed, no entry is necessary under "Revised Cost." Depreciation factors are provided for your information.

GROUP I - FURNITURE, FIXTURES, GENERAL EQUIPMENT, AND ALL OTHER PROPERTY NOT LISTED IN ANOTHER GROUP - Include all personal property not specifically identified in one of the other groups. For many businesses, all or most of the personal property will fall into this category. A partial list of the types of equipment to be reported in this group includes:

Answering machines
Amusement devices (coin-operated)
Amusement park rides & equipment
Auto and truck washes
Auto repair equipment (except tools: see Group 2)
Barber and beauty shop equipment
Broadcasting equipment (except towers: see Group 4)
Bulldozers
Cable television equipment
Cash register (except computer mainframe: see Group 2)
Dictation (transcribing) equipment
Earth moving equipment
Grocery fixtures and equipment
Hotel/motel/apartment furniture, fixtures, and equipment
Laundry and dry cleaning equipment
Law libraries
Medical equipment and libraries
Mining and quarrying equipment
Mortuary equipment
Office machines, furniture, fixtures, and equipment
Paging system (including purchased pagers)
Photographic equipment
Recreational equipment (bowling lanes, billiard tables, etc.)
Repair and maintenance equipment
Restaurant fixtures and equipment
Retail fixtures and equipment
Signs (not Billboards: see Group 6)
Sound reinforcement and recording equipment
Telephones
Theater fixtures and equipment
Trailers (office, over-the-road, equipment and hauling)
Vending machines
Warehousing equipment

(continued on reverse side)

GROUP 2 - COMPUTERS, COPIERS, PERIPHERALS, FAX MACHINES AND TOOLS -
Include all computers, disk drives, tape drives, terminals, printers, operational software, cable, modems, etc; copiers; facsimile machines; and portable hand and power tools.

GROUP 3 - MOLDS. DIES. AND JIGS - include all molds, dies, and jigs.

GROUP 4 - AIRCRAFT, TOWERS, AND BOATS - Include all aircraft; radio and TV broadcast towers unless classified as real; and watercraft. **Include all aircraft, boats, radio and TV broadcast towers reported last year as personal property. All new towers, except those excluded in T.C.A. § 7-59-102, should be classified as real property.**

GROUP 5 - MANUFACTURING MACHINERY - Include all machinery used in manufacturing processes.

GROUP 6 - BILLBOARDS, TANKS, AND PIPELINES - Include all billboards and include above ground tanks and pipelines unless classified as real. Billboards are free standing and commonly have a utility attached such as electricity. A sign attached to a building or which is easily movable should be listed in Group I (Underground tanks are classified as real property, do not report on this schedule)

GROUP 7 - SCRAP PROPERTY - Include all property no longer capable of use and for which there is no expectation of repair but which is still owned by the business or located at the business site.

GROUP 8 - RAW MATERIALS AND SUPPLIES -

Raw materials are defined as items of tangible personal property, crude or processed, which are held or maintained by a manufacturer for use through refining, combining, or any other process in the production or fabrication of another item or product. **Do not report goods in process.**

Supplies are defined as expendable items of tangible personal property which are used or held for use in support of a business activity, including, but not limited to, office supply stocks, stocks of spare parts for maintenance of machinery and equipment, accessories used in manufacturing processes, printing supplies, and cleaning and maintenance supplies.

Report the original cost of all raw materials and supplies on hand as of **January 1**, as determined by the 'first-in-first-out" (FIFO) method of accounting.

GROUP 9 - VEHICLES - Include all automobiles, buses, tractors, trucks, and other vehicles designed for over-the-road use. If a vehicle carries commercial tags it should be listed. If it is registered to a business or an individual operating as a business, whether or not the vehicle carries commercial tags, the vehicle should be listed. (Truck trailers are listed in Group I).

GROUP 10 - CONSTRUCTION IN PROGRESS (CIP.) - Personal Property which you treat as CIP for federal income tax purposes (as of January I) may be reported in this group. Report only those costs included in your federal income tax return as CIP.

PART III. LEASED PERSONAL PROPERTY

Report all personal property rented or leased by you from others for use in the conduct of your business as of January 1. Tennessee Code Annotated 67-5-502 provides for leased personal property leased to a commercial or industrial user to be assessed to the user.
For Year Made report year of acquisition if lessor purchased the property being used.
For Cost New report advertised retail price if cost new is unknown.

PART IV. OWNED ITEMS WITH NONSTANDARD VALUE

Report any items on which you wish to report a value different from the value that would result from the valuation methodology in Part II. Values reported in this section may not be accepted unless sufficient written evidence of the value you report is provided for evaluation by the assessor's staff.. The assessor's staff may request clarification or further documentation. Types of evidence that may support nonstandard value are: recent appraisals of subject property, affidavits concerning unusual value influences relevant to subject property, and valuation guides for subject property.

Special statutory valuation of pollution control equipment would be reported under this part. Enclose a copy of the pollution control certificates issued by the Tennessee Department of Environment and Conservation or their designee.

NOTES: Use this area for explanation.

SIGNATURE

Upon completing the schedule, **print and sign your name** and state your title and the date of completion. Return the schedule, along with any accompanying data, to the local County Assessor of Property on or before **March 1**.

This schedule as completed is a public record, but any accompanying documents filed with the schedule or submitted as part of an audit will be treated as confidential.