

## HOW TO REPORT A CLOSED BUSINESS

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If the business has closed prior to January 1 you should report that the business has closed in the notes section on the back of the Tangible Personal Property Schedule. Please provide the month, date and year that the business closed.

A business that closed after January 1, may still be assessed taxes for that year. Personal Property taxes can not be prorated for part of the year.

If you have a business license and the business has closed, please close the license in the County Clerk's office. If you have questions about your business license or how to close out a business license the County Clerk's office will be glad to help you.



Please report an address change to the Assessor, the County Clerk and to the County Trustee.

## When you are ready to mail your Tangible Personal Property Schedule to the Assessor of Property:

1. Make sure all the general information about your business is correct. Make changes if necessary.
2. Attach all supporting lists and documents.
3. Sign and Date the back of the schedule.
4. Mail the schedule to the Assessor of Property on or before **March 1**

### Questions:

For answers to any questions concerning Personal Property you can write or call the Tipton County Assessor of Property at:

P O Box 342  
Covington, TN 38019

Telephone (901) 476-0213



2007

## INFORMATION FOR TIPTON COUNTY BUSINESS OWNERS

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## TANGIBLE PERSONAL PROPERTY

## INFORMATION & GUIDELINES

# WHAT IS TANGIBLE PERSONAL PROPERTY?

Tangible Personal Property is all equipment used or held for use in your business or profession as of January 1, including, but not limited to, furniture, fixtures, machinery, equipment, vehicles, raw materials, and supplies. All assessable items must be reported whether or not fully depreciated on your accounting records. Tangible Personal Property is moveable equipment and must be reported in the county where it is located. All personal property accounts are subject to being audited.

## POINTS OF INTEREST:

The County Assessor mails a Tangible Personal Property Schedule to all businesses in January of each year. Personal Property taxes are assessed to the business based on the amounts reported on this schedule.

1. The Tangible Personal Property Schedule is due back to the Assessor on or before **March 1**. A list of all equipment, raw materials and supplies should be attached to the schedule.
2. Failure to file the Tangible Personal Property Schedule will result in a "Forced

Assessment". This forced assessment can not be appealed and could cost the business owner more in taxes.

3. An assessment change notice will be mailed to each business in May. This notifies the business owner of the assessed value of the Tangible Personal Property. This notice is **Not** a bill. When this notice is received, it is the perfect time to ask questions or to notify the Assessor of any changes.

4. Tax notices are mailed in October by the County Trustee

## WHAT DOES THE SCHEDULE LOOK LIKE?

The schedule is printed on legal size paper and the text is red, blue and black. The schedule has a front and a back page and is divided in four parts and eight groups. An instruction sheet is included when the schedule is mailed.



## WHAT IS LEASED EQUIPMENT AND HOW IS IT REPORTED?

Equipment that your business leases from another company such as a copy machine or specialized equipment for medical or manufacturing businesses must be reported on the back of the schedule and must include a description

of the equipment, the age and the cost. The name and address of the company that is leasing the equipment to you must also be furnished. Leased equipment is reported in Part III on the back of the schedule.



## HOW IS EQUIPMENT GROUPED AND ASSESSED?

Equipment is grouped by type based on the expected life of the equipment. Groups 1 through 10 have different depreciation rates that apply to the cost on file of the reported equipment. The appraised value of the equipment is the sum of all groups, including leased and non-standard equipment. The appraised value is multiplied by the assessed rate of 30% to arrive at the assessed value. The assessed value is then multiplied by the current year's tax rate. This is the tax amount to be paid. Tax notices are mailed by the Trustee and are due from October 1 to the last day of February. Penalty and interest accrue after that date.

Example:

Total of all groups	\$5,000
Assessed value @ 30%	\$1,500
\$2.85 tax rate \$1,500 x .0285=	\$42.75
Tax amount due would be	\$43.00