

INSTRUCTIONS – Listings due By January 31st .

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. 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

NCGS §105-308 reads: "any person whose duty it is to list any property who willfully fails or refuses to list the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. The failure to list shall be prima facie evidence that the failure was willful."

A class 2 misdemeanor is punishable by imprisonment of up to 60 days.

When and where to list?

Listings are due on or before January 31. Mailing address: Tax Department-Business Personal Property, 725 McDowell Road, Asheboro NC, 27205

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 Randolph County Tax Department by January 31st.

How do I list? -- Three important rules:

- (1) Read these INSTRUCTIONS for each schedule or group. Contact our 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. If you have received multiple listing forms, each form must be completed separately.

INFORMATION SECTION

Complete all sections at the top of the form, whether or not they are specifically addressed in these INSTRUCTIONS. Attach additional sheets if necessary.

- (1) Other N.C. Counties where personal property is located: If your business has property normally located in other counties, list those counties here.
- (2) Contact person for audit: In case the Tax Dept needs additional information, or to verify the information listed, list the person to be contacted here.
- (3) Physical address: Please note here the location of the property. The actual physical location may be different from the mailing address. PO and Personal Mail Boxes are not acceptable.
- (4) Principal Business in this County: What does the listed business do? For example: Tobacco Farmer, Manufacture electrical appliances, Laundromat, Restaurant. The **SIC or NAICS code** may help describe this information, if you do not know the **SIC or NAICS code**, please write "unknown".
- (5) Complete other requested business information. Make any address changes.
- (6) If out of business: If the business we have sent this form to has closed, complete this section and attach any additional information regarding the sale of the property.
- (7) The disclosure of ssn number is voluntary. This number is needed to establish the identification of individuals. The authority to require this number for the administration of a tax is given by United States code title 42, section 405(c)(2)(C)(I) and N.C.G.S. 105-309.

Note: If you purchased an existing business and its assets since January 1, 2017, do not complete this Listing form without first contacting the county tax office for further instructions.

SCHEDULE A

The year acquired column: These rows indicate by year, when you acquired the property being listed. All equipment should be listed in the original year acquired.

Schedule A is divided into eight (8) groups. Each is addressed below. Prior year cost (Original Costs) may be pre-printed. This column should contain the cost information from last year's listing. If it does not, please complete this column, referring back to your last year's listing. List Current Year's Cost (Total Cost) 100% cost of all depreciable personal property in your possession on January 1. Include all fully depreciated assets as well. Round amounts to the nearest dollar. Use the "Additions" and "Deletions" column to explain changes from "Original Cost" to "Total Cost". The "Original Cost" plus "Additions" minus "Deletions" should equal "Total Cost". If there are any additions and/or deletions, please attach an acquisitions and disposals detail. If the deletion is a transferred or paid out lease, please note this, and to whom the property was transferred.

COST - Note that 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, which 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 model 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 ware-house and packaging equipment, as well as manufacturing equipment, production lines, hi-tech or low-tech. 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 no other costs were incurred. The \$10,600 should be added in group (1) to the 2006 "Original Costs" cost column, every year until it is removed.

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 tangible personal property, and is to be listed with the other capital assets of the business during the listing period. 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. **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 category also includes software that is capitalized and purchased from an unrelated business entity. This does not include high tech equipment such as proprietary computerized point of sale equipment or high tech medical or computer controlled equipment, or the high-tech computer components that control the equipment. This type of equipment would be included in Group (1) or "other".

Group (5) Leasehold Improvements

This group includes real estate improvements to leased property contracted for, installed, and paid for by the lessee which may remain with the real estate, thereby becoming an integral part of the leased fee real estate upon expiration or termination of the current lease, but which are the property of the current lessee who installed it. (Examples are lavatories installed by lessee in a barbershop, special lighting, or dropped ceiling.) If you have no leasehold improvements write "none".

Group (6) Expensed Items

This group is for reporting any assets which would typically be capitalized, but due to the business' capitalization threshold, 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

This group is for reporting normal business operating supplies. List the cost on hand as of January 1. The temporary absence of property on January 1 does not mean it should not be listed if it is normally present. Supplies immediately consumed in the manufacturing process or that become a part of the property being sold, such as packaging materials, or a manufacturer's raw materials, 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. **Supply Types: (1) Office/Janitorial/Barber/Beauty/Medical/Dental (2) Fuels held for consumption (3) Replacement and spare parts (4) Restaurant and hotel items : linens/smallwares/cookware not listed in Schedule A (5) Rental items not sold in the normal course of business and not listed in Schedule A (6) Miscellaneous Supplies**

Group (8) Other

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

SCHEDULE B VEHICULAR EQUIPMENT –Attach additional detail as needed

Motor Vehicles registered with the NC Department of Motor Vehicles as of January 1 do not have to be listed. If you own Unregistered Vehicles, Multi-year tagged trailers, vehicles under the International Registration Plan, vehicles with permanent plates, vehicles with 3 month registration or special bodies attached they must be listed.

SCHEDULE C DOG COUNT-Please list number of dogs associated with this business.

SCHEDULE D LEASEHOLD IMPROVEMENTS

Briefly describe any additions or deletions to leasehold improvements. Take care to itemize so that the real and personal property can be differentiated. State the owner of the real property and its location.

SCHEDULE E, CHANGES IN LAND AND BUILDING

Please list any changes in land or buildings –To include new construction, property improvements, etc.

SCHEDULE F, PROPERTY IN YOUR POSSESSION ON JANUARY 1, OWNED BY OTHERS

If you have any personal property owned by others in your possession on January 1, it must be reported as to owner, property description, lease account, monthly payment, cost new and start/end lease date.

AFFIRMATION

If the form is not signed by an authorized person, it may be rejected and could be subject to penalties. This section describes who may sign the listing form. **Listings submitted by mail shall be deemed to be filed as of the date shown on the postmark affixed by the U.S. Postal Service. Any other indication of the date mailed (such as your own postage meter) is not considered and the listing shall be deemed to be filed when received in the tax department.** 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 this Subchapter (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 60 days)

APPLICATION FOR BUSINESS PROPERTY EXEMPTION

Under the provisions of G.S. 105-282.1, every owner of the types of property described below claiming exemption or exclusion from property taxes thereon must demonstrate that it meets the statutory requirements for exemption or classification. A one-time application (subsequent applications are required if additions or deletions are made) must be filed with the assessor of the county in which the property is located during the statutory listing period.

- (1) Property used for pollution abatement
- (2) Property used for recycling or resource recovery

Application for business property tax exemption (Form AV10) may be obtained by contacting the Tax Department.

