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*By Carl Hoemke.*

The property tax life cycle is a complex beast, and taming it can be both frustrating and time-consuming. Take business personal property renditions, also known as

personal property returns. Did you know that [businesses typically spend an average](#)

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A personal property rendition is a report that lists all business assets (personal property) that are subject to personal property tax, which is typically all tangible personal property unless a specific exemption applies. Specific requirements vary by state but business inventories, (e.g., goods for resale and manufacturing ingredients and components) generally aren't considered to be personal property, nor is intangible property like copyrights and trademarks.

Most states tax personal property owned by businesses and require businesses to complete and file a personal property rendition every year. The exceptions to that rule are Delaware, Hawaii, Illinois, Iowa, Minnesota, New Hampshire, New Jersey, New York, North Dakota, Ohio, Pennsylvania, and South Dakota. These 12 states generate property tax revenue from real estate taxes instead.

If your business has personal property in any state that requires businesses to file a personal property rendition, which is a majority of states, you can devote a great deal of time to personal property renditions. Taking the following five steps can help save time and ensure you're completing your return accurately:

1. [Review your property tax accounts](#)
2. [Take stock of your assets](#)
3. [Select the appropriate business personal property rendition forms](#)
4. [Prepare the personal property renditions](#)
5. [File your business personal property rendition packages](#)

## 5 steps to fill out a business personal property rendition quickly and accurately

1. Review your property tax accounts

First, it's important to become familiar with all your property tax accounts so you

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state, the [Washington State Department of Revenue](#) advises county assessors and treasurers on how to assess property.

In many cases, your accounts will have a one-to-one relationship with the physical locations of your businesses; however, that's not always true. Multiple accounts can be tied to one location. This is often the case with restaurants: One restaurant may have one account for your restaurant equipment and one account for your commercial vehicles that are used by the restaurant.

If you've closed any locations recently, you'll need to alert that county's assessor of the closure so you'll no longer be taxed for that property. Typically this simply entails filing a return stating the date of closure, but some counties may require you to take special steps to formally notify them you've ceased operations.

The cutoff date for determining tax liability on a closed location is the county's assessment date. For many counties, this date is January 1. So if you closed shop on December 31, 2022, you're liable for property tax on that location for the 2022 year. However, you'll be fully taxed for both 2022 *and* 2023 if you closed a location on March 31, 2023, even though you operated for only three months in 2023. Proration doesn't apply in the business personal property tax space. Selling property is different, but the proration occurs between the buyer and seller, not the taxing jurisdiction.

## 2. Take stock of your assets

Personal property renditions (aka, personal property returns) require you to take a detailed inventory of your assets — everything from laptops and lamps to heavy machinery — across every location. As a result, one location can easily have tens of thousands of assets.

It's critical to maintain clear records of your assets, including where they're located

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### **3. Select the appropriate business personal property rendition forms**

Each state and county typically has unique personal property return forms, and filing the proper property rendition in each jurisdiction is a must. Some jurisdictions may have specialized return forms for certain industries, such as telecommunications or farming. In fact, determining which forms are required is one of the biggest personal property compliance burdens facing businesses today.

[Avalara Property Tax](#) allows businesses to spend less time researching forms because the software automatically populates your asset data on the appropriate state and/or local form. Furthermore, it updates each jurisdiction's forms annually.

### **4. Prepare the personal property renditions**

As with any tax return, it's essential to fill out each personal property rendition according to its instructions. Typically, this entails:

- Listing all assets owned or controlled by your business as of January 1, including assets that are fully depreciated in your accounting records and assets in storage
- Identifying the date each item was acquired
- Identifying each personal property category (e.g., office equipment can be categorized as network servers, personal computers, printers, phones, etc.)
- Listing the total purchase cost of each item, but in some cases, excluding sales/use tax but including installation and freight fees
- Verify whether there is obsolescence impacting the property value and report on this amount.

[Avalara Property Tax](#) is capable of creating return packages complete with cover letters, return forms, and attachments (even custom attachments such as authorization letters) quickly and correctly.

## 5. File your business personal property rendition packages

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hook for personal property tax if no form arrives. Property owners are responsible for filing a personal property rendition every year, even if no form arrives by mail.

In the event the county assessor doesn't receive your personal property rendition by the due date, it will estimate the value of the property based on the best information available. It may also assess a late fee or penalty. If you think your property tax assessment is incorrect, you may [appeal your property tax valuation](#). Appeals generally need to be submitted by a certain date. In Washington, for example, appeals generally need to be filed by July 1 of the assessment year or within 30 days of the date the assessment was mailed, whichever is later.

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