

## WHAT TO DO IF YOU CLOSE YOUR BUSINESS

- Contact the State of Tennessee Department of Revenue at (615) 253-0600 to close your business license.
- Not renewing your business license DOES NOT close your business.
- Once you have closed your business license, notify the Franklin County Property Assessor's Office that your business is closed so that you will be removed from the tax roll.

### **IMPORTANT**

**If you do not notify the Property Assessor's Office your business will still be subject to valuation for personal property tax purposes.**

### **IMPORTANT DATES**

- |             |   |
|-------------|---|
| January 1   | Situs date (The physical location of property as of January 1).   |
| February 1  | Assessor of Property deadline for mailing Tangible Personal Property Schedules to every business in a county. |
| March 1     | Business owner deadline for filing Tangible Personal Property Schedule with Assessor of Property.             |
| May         | Assessment Change Notices Mailed.   |
| June        | County Board of Equalization begins meeting on June 1.  |
| September 1 | Deadline to file Amended return with Assessor of Property.  |
| October     | Tax Billing.  |

Call our office for more information  
(931) 967-3869

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# Franklin County



**Bruce Spencer**  
**Property Assessor**

**Personal Property Section**  
**1 South Jefferson St. Rm #101**  
**Winchester, Tennessee 37398**  
**(931) 967-3869**

**Business**  
**Tangible Personal Property**  
**Assessment in Tennessee**

*What All Business Owners Need to Know About*  
*Tangible Personal Property*  
*(Including but not limited to the following)*

## **BUSINESS TANGIBLE PERSONAL PROPERTY**

Business tangible personal property values for ad valorem tax purposes are based on a self-reporting system in the state of Tennessee. Values are determined by the Tangible Personal Property Schedule.

The Tangible Personal Property Schedule is furnished annually on or before February 1 by the Franklin County Assessor of Property to every business owner operating within Franklin County, Tennessee. Every business owner operating in the state of Tennessee is required to complete, sign and file the Tangible Personal Property Schedule with the Assessor of Property annually on or before **March 1** as provided by T.C.A. § 67-5-903.

If a business neglects to complete and return a Tangible Personal Property Schedule to the Franklin County Assessor of Property by **March 1**, the Assessor is required by law to place a value (forced assessment) on that business, using the best information available. Failure to file a completed schedule will subject the taxpayer to a penalty.

## **QUESTIONS AND ANSWERS**

### **What is Tangible Personal Property?**

Tangible personal property is moveable, touchable property used in a business. It includes furniture, computers, machinery, tools, supplies raw materials, vehicles, scrap and other property not listed as real estate. Tanks, billboards and pipelines are tangible personal property unless classified as real property.

### **What is a Tangible Personal Property Schedule?**

The Tangible Personal Property Schedule is the form used by business owners to report purchases and leases of tangible personal property at a location. A schedule must be filed for each business location each year.

### **Who has to file a Tangible Personal Property Schedule?**

Every business owner, incorporated as well as unincorporated, operating with the state of Tennessee is required to file a schedule with the Franklin County Assessor of Property **NO LATER THAN MARCH 1** of each calendar year. If a business owner believes the depreciated value of all tangible personal property used or held for use in the business is \$1,000 or less, the owner may so indicate by marking the box on the back of the schedule, and the assessment may be subject to audit. The depreciated value includes leased equipment or nonstandard equipment.

### **What happens if I do not file a Tangible Personal Property Schedule?**

A forced assessment is placed on all businesses who fail to file. Forced assessments are done by the Franklin County Assessor's Office using the best available information. Forced assessments can be appealed to the Franklin County Board of Equalization only after filing a Tangible Personal Property Schedule.

### **How will the Assessor's Office notify me if my assessment changes?**

If your assessment changes, you will receive an Assessment Change Notice. You should contact the Assessor of Property if you disagree with your assessment. You may also appeal to the County Board of Equalization, which begins meeting on June 1.

### **If I should not receive my Schedule in the mail, am I still responsible to file?**

Yes. The Assessor's Office is required to mail the schedule prior to Feb. 1 to **last known address** of the business owner. Even though the business owner may not receive the schedule, it is the responsibility of the taxpayer to know the schedule is due to be filed each year with the Assessor.

### **Will I be audited?**

Your business may be randomly selected for audit. Methods vary based on the size of the business. You may be required to provide records detailing asset description and original cost.

### **If my Tangible Personal Property is damaged, is there still an assessment?**

If after January 1 and before September 1 of any year, tangible personal property is destroyed, demolished or substantially damaged by fire, flood, wind, or any disaster certified by the Federal Emergency Management (FEMA), and is not restored, and no commercial and Industrial tangible personal property is operated in its place before September 1 of that year, the Assessor of Property shall prorate the assessment of the tangible personal property for the portion of the year to the date of such destruction, demolition or substantial damage. The assessor will need documentation to support any proration due to destruction.

### **If I have purchased a pre-existing business and there are back taxes owed, am I liable for those taxes?**

Yes. Taxes follow the equipment. If you buy the business and equipment, you also inherit the taxes as well.

### **Can my Personal Property tax be credited against any other state tax?**

Yes. Personal property taxes paid may be credited toward the business tax. You should contact the state Department of Revenue, or your accountant for more information on this credit. Tangible Personal Property taxes stay within the county and/or city to which they are paid.