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# R.C. THORNTON & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

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February 9, 2022

## **Personal Property Tax for 2021 Tax Year**

Property tax returns are due April 1.

If you have, or will be sending us your property tax forms, you may disregard this letter because we will be preparing the return for you.

If you have not forwarded or will not be forwarding your information to us, the following may be important to you.

### **What is Personal Property Tax?**

Personal property tax is a tax on the personal property of a business such as office equipment, office furniture, store fixtures, some leasehold improvements, and supplies. Specifically excluded are vehicles which are taxed as part of the automobile registrations, and real estate (land and buildings) which are taxed separately.

### **Requirement to File Business Property Statement (DOR Form 82520) for Commercial Business Property**

Each year, there is an exemption up to a specified amount of the cash value of the property. Full cash value is synonymous with market value, which is an estimate of value derived annually by using standard appraisal methods and techniques. The current exemption amount can be found in the Personal Property Manual that is published each year by the Arizona Department of Revenue.

That document can be found at the following link:

[https://www.azdor.gov/sites/default/files/media/PROPERTY\\_pp-manual.pdf](https://www.azdor.gov/sites/default/files/media/PROPERTY_pp-manual.pdf).

There are many pages in that document. The exemption amount is usually summarized in a Quick Reference near the beginning of the document.

In Arizona, businesses are required to file personal property tax statements and pay personal property tax. It is the responsibility of the business owner to notify the County Assessor's office to be placed on the tax rolls. Once a business is on the tax rolls, the county will generate personal property tax statements for the taxpayer to complete each year.

Although the taxpayer has the primary responsibility to report personal property to the County Assessor when requested, the Assessor may also use other methods to discover personal property to be assessed. The most widely used methods of discovery include the review of information contained in newspaper advertisements, announcements of new business openings, sales tax licensing registration lists, telephone directories, membership listings in local Chambers of Commerce, canvassing, and building permits and certificates of occupancy.

### **How to Handle your Property Tax Filing Requirements**

If you do not receive property tax forms, your business may not be on the tax rolls of the county.

If you are not on the property tax rolls, and your property is greater than the current exemption amount, you should consider filing these returns.

If you are on the property tax rolls and do not receive your property tax form, it is available at the County Assessor's office.

We are including a link to Arizona Personal Property Tax Publication 545 for your reference. [https://azdor.gov/sites/default/files/media/PUBLICATION\\_2014\\_545.pdf](https://azdor.gov/sites/default/files/media/PUBLICATION_2014_545.pdf)

This publication was last revised in January 2014. If the publication is updated, the link above may be broken. You can also find Publication 545 on the list of all publications at this link: <https://azdor.gov/reports-statistics-and-legal-research/publications>

### **We Can Help**

Many of our clients do their own property tax returns. Other clients are below the exemption amount, so no filing is required.

If you have not received your property tax form by February 15, and believe your property is easily over the exemption amount, this could be an indication that you are not on the property tax rolls. Again, we recommend that you consider filing the property tax return.

We can complete the form for you if you like, but you need to let us know before our deadline date of February 28. If we do not hear from you by that date, we will assume you do not want us to do anything to assist you.

Sincerely,

R. C. THORNTON & ASSOCIATES, CPAs, LLC

Chuck Thornton, CPA