

# **CITY OF ROANOKE – COMMISSIONER OF THE REVENUE** **BUSINESS PERSONAL PROPERTY IMPORTANT FILING INFORMATION**

## ***~ What is business personal property tax?***

Business personal property tax is an annual tax on the furniture, fixtures, machinery, and tools used in a business, trade or profession on January 1 each year. The Code of Virginia (58.1-3503) states that all tangible business personal property is taxable for the physical life of the property regardless of age (1 day or 1,000 years old), including expensed items, Internal Revenue Code Section 179 deductions, and items that have been fully depreciated for income tax purposes. Receipts for assets are not required to be sent with the filing information but will be requested if it is deemed necessary by the Commissioner's office. Taxable assets include items that have been received free of charge, received as a gift, or personal items that have been brought from home to use in the business. All "free" or "gift" items MUST be given/assigned a fair market value.

## ***~ Who is required to file business personal property tax?***

Every business, trade, or profession (sole proprietorship, partnership, LLC, and corporation) is required to file business personal property tax on all tangible personal property tax items owned, leased, rented, or borrowed as of January 1 each year. The business return is required of every business regardless of size or number of employees.

## ***~ How is business personal property assessed?***

Assessed values are based on a percentage of the original full cost (including expenses such as freight and installation) for the year of acquisition of the asset. The percentages are listed on the filing form.

## ***~ What is the tax rate for the City of Roanoke?***

The tax rate for the City of Roanoke is \$3.45 for every hundred dollars of the assessed value. The tax rate is established by Roanoke City Council.

## ***~ What is the deadline for filing business personal property returns?***

The filing deadline is February 15. A postmark of February 15 is accepted as a timely filing. Metered mail will is not considered 'postmarked' or timely filed. A 10% late filing penalty will be assessed to all returns not filed by February 15.

## ***~ What is a detailed fixed asset list?***

A detailed fixed asset list is a list of all furniture, fixtures, machinery, and tools used in a business, trade or profession on January 1 each year. The list should include the item/asset description, the year acquired of placed into business use, and the original cost. Each business should make a copy of the filing information each year and maintain the list as changes occur throughout the year (disposals, purchases, items received, etc...). Sample format:

<b>Item Description</b>	<b>Purch/Recv'd Date</b>	<b>Original Cost</b>	<b>Disposal Date</b>

## ***~ What should be included on the asset list?***

Business personal property tax includes items that have been purchased by the business to use, or have with the intent to use, to operate any aspect of the business. Taxable assets include items that have been received free of charge, as a gift, or personal items that have been brought from home to use in the business. Taxable property includes expensed items, Internal Revenue Code Section 179 deductions, and items that have been fully depreciated for income tax purposes regardless of age. The fixed asset list should include every item in the business – not just new purchases or items recently received. **TAXABLE ITEMS INCLUDE BUT ARE NOT LIMITED TO:** equipment, vacuum cleaners, sanders, hand tools, saws, climbing equipment, ropes, electric tools, ladders, yard tools, mowers, pressure washers, air compressors, tripods, cameras, lenses, film developing equipment, hair styling equipment, scissors, clippers, curling irons, flat irons, massage tables, hot stones, movable shelves and racks, baby cribs, play pens, toys, kitchen utensils, kitchen appliances, linens, filing cabinets, desks, chairs, wall pictures & hangings, lamps, furniture, decorations, storage cabinets, heaters, fans, photocopiers, fax machines, calculators, digital cameras, lap top computers, and computer equipment excluding software packages.

**~ *What items are exempt from the business personal property tax?***

Real estate (building and land) and computer software packages (Lotus, Excel, Word, Quicken, etc...) are the only items exempt from the business personal property tax.

**~ *Is there a minimum dollar amount that does not have to be reported?***

No. All items in the business are taxable for the physical life of the item.

**~ *Is leased equipment taxable?***

Yes. The tax liability is determined by the lease agreement between the lessee and lessor. If the lessor is required to file and pay the tax, the lessee should list the leased equipment on the back of the business personal property filing form. If the lessee is required to file and pay the tax, the equipment should be included in Schedule 1 or 2 on the lessee's business personal property filing return. The lessee should make notation on the detailed asset list that the asset is a leased item.

**~ *Are vehicles assessed for business personal property tax?***

Yes. The vehicle tax is prorated according to the number of months a vehicle is located or domiciled in the City of Roanoke. Both individual and business taxpayers have 30 days to notify the Commissioner of the Revenue's office of any changes (buy, sell, move, junk, trade, total, etc...). The Commissioner's office verifies all information with the Virginia DMV, FAA, or Inland Game & Fisheries. Additional information may be required from the taxpayer before an adjustment is made.

**~ *When are the annual business personal property tax bills mailed?***

April 15

**~ *When are the annual business personal property tax bills due?***

May 31

**~ *What should I do if my business has an address change, moves, or closes?***

Contact the City of Roanoke Commissioner of the Revenue's office as soon as possible at (540) 853-2524.

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**\*IMPORTANT FILING REQUIREMENTS AND REMINDERS:**

- A complete detailed fixed asset list must be included every year with the business personal property return.
- Schedules 1 and/or 2 MUST be completed. Forms with "see attached," "same as last year," "nothing new purchased," etc... will NOT be accepted as complete or timely filed.
- Forms must be signed and dated by the owner or authorized representative. Contact information must be provided.
- A written detailed explanation is required for all taxpayers/businesses filing \$0. The explanation must include the nature of business, and why the business does not have or need any furniture, fixtures, tools, computers, machinery, or equipment.

Willful failure to file the business personal property return is a violation of Virginia State Code 58.1-3518.

Taxpayers who are required to file, but neglect to do so, will be subject to a statutory assessment.