

**INSTRUCTIONS FOR COMPLETING THE
2024 TANGIBLE PERSONAL PROPERTY SCHEDULE
FOR REPORTING
COMMERCIAL AND INDUSTRIAL PERSONAL PROPERTY**

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Tennessee law provides that a **TANGIBLE PERSONAL PROPERTY SCHEDULE** shall be completed annually by all partnerships, corporations, other business associations not issuing stock, and individuals operating for profit as a business or profession. This includes manufacturers, except those whose property is entirely assessable by the Office of State Assessed Properties. These instructions for completing the schedule are in accordance with TENNESSEE CODE ANNOTATED (T.C.A.), Title 67, Chapter 5, Parts 6 and 9, and with rules for the assessment of commercial and industrial tangible personal property promulgated by the Tennessee State Board of Equalization, Tenn. Comp. R. & Regs. 0600-05-.01 - .12.

The completed 2024 **TANGIBLE PERSONAL PROPERTY SCHEDULE** is to be returned to the Shelby County Assessor **ON OR BEFORE MARCH 1, 2024**. Failure to file the signed schedule by March 1, 2024, will result in a forced assessment as provided by Tennessee Code Annotated 67-5-903. **PLEASE NOTE: There is no authority for anyone to grant an extension of time to file this schedule.** In the event the assessor makes a forced assessment, the taxpayer cannot amend the schedule and the forced assessment will not be equalized to the prevailing level of property values for assessment purposes in the jurisdiction.

The total acquisition cost reported on the schedule must include all tangible personal property used or held for use in the business or profession as of January 1, 2024 including, but not limited to, furniture, fixtures (including built-in display racks, shelves, gondolas, checkouts, counters, etc.), machinery, equipment, vehicles, raw materials, supplies and Personal Property construction-in-process. **All assessable items must be included in this schedule whether or not fully depreciated or expensed on taxpayer's income tax records.** The preprinted depreciation factors (percent good) as provided on the schedule are merely for the taxpayer's information. The taxpayer is not required to calculate depreciated cost as this will be calculated and recorded by the assessor.

Do not report growing crops, direct products of the soil in the hands of the producer or their immediate vendee, finished goods in the hands of the manufacturer, or inventories of merchandise held for sale or exchange, or goods in process. Also, property in transit through the state to a final destination outside the state is deemed not to have acquired a situs in Tennessee for the purpose of ad valorem taxation. Property imported from outside the United States, held in a foreign trade zone or subzone, and then exported directly to a location outside Tennessee is exempt from personal property taxation.

In lieu of detailing total acquisition cost, T.C.A. Section 67-5-903(b) permits a taxpayer to certify that the **depreciated value** of tangible personal property otherwise reportable on the schedule is \$1,000 or less. Please refer to the instructions for Part VI.

If the taxpayer has an active business license but does not have or use any personal property as described in these instructions, the taxpayer must attach a letter to the signed schedule outlining the nature of the business and explain how the business is operated without equipment or supplies.

The following instructions for each section in this pamphlet are intended as a general guide. If you have any questions or inquiries regarding the completion of the schedule, contact the Personal Property Department of the Shelby County Assessor's Office between 8:00 a.m. and 4:30 p.m. Central Time, Monday through Friday, telephone (901)222-7002. Any matters that cannot be resolved by telephone may be resolved by meeting with a representative in the Assessor's Office through a scheduled appointment.

Out of Business Prior to January 1, 2024

If your business was sold, relocated outside of Shelby County or terminated *prior* to January 1, 2024, and your Shelby County Business License has been finalized, if one was required, the section appearing above the mailing information must be completed and the schedule signed, dated and returned to the Assessor on or before March 1, 2024. Failure to complete this section may result in a forced assessment. If the business was sold, relocated outside of Shelby County or terminated *after* January 1, 2024, T.C.A. Section 67-5-513 requires the taxpayer to notify the assessor and trustee and, within fifteen (15) days after the date of selling, relocating or terminating the business, make payment of any taxes, interest and penalties due and owing and the taxes of the current year in accordance with the assessment records, which shall be based on the last assessment and rate fixed, according to law.

PART I. - GENERAL DATA

All of the requested information regarding the identification and location of the business **MUST BE PROVIDED**. Make all corrections to the business name and/or mailing address. The Federal Standard Industrial Code (SIC) or North American Industry Classification System (NAICS) code, if known, should also be reported in section B. If you have changed the name of your business, provide the name under which you formerly operated in section G. This information may prevent duplicate assessments.

Remarks/Explanation - Use this area for explanation. If necessary, attach additional pages.

Reduction of Personal Property - If taxpayer is reporting less equipment than had been reported in previous years, a letter of explanation must accompany your schedule. Fully depreciated and expensed items are subject to assessment and must be included in your return so long as you retain them.

PART II. - OWNED PERSONAL PROPERTY - STANDARD VALUE

For each group of property, list the total acquisition cost of the property being reported. Total acquisition cost is defined as the full acquisition cost new of personal property and includes freight, installation, set-up, and sales tax. This cost new should be reported for the year the property was new (typically the year made). For property purchased as used, if the cost new or year the property was new is not known and cannot reasonably be determined, you may report the actual acquisition cost to you for the year you acquired the property. The total acquisition cost reported should include the full invoiced cost without deduction for the value of certain inducements such as agreements and warranties when these inducements are regularly provided without additional charge. For property previously reported as construction-in-process tangible personal property (CIP), the total acquisition cost must be reported as acquired in the year the property was placed in service rather than the year of purchase, if those years differ.

A capitalized expenditure made with respect to property after the initial acquisition must be reported in the year the expenditure is booked as a fixed asset. Capitalized expenditures are those costs which are capitalized on the taxpayer's financial books and records as a fixed asset and either (1) add to the value, or substantially prolong the useful life, of such property or (2) adapt such property to a new or different use. The costs of the capitalized expenditure should be reported as they are shown on the taxpayer's financial books and records. Expenses, costs or amounts paid or incurred for incidental repairs and maintenance of property should not be reported.

If "Cost on File" is printed and has not changed, no entry is necessary under "Revised Cost."

GROUP 1 - FURNITURE, FIXTURES, GENERAL EQUIPMENT, AND ALL OTHER PROPERTY NOT LISTED IN ANOTHER GROUP

- Include all property not specifically identified in one of the other groups. (Include built-in display racks, shelves, gondolas, checkouts, counters, etc.) For many businesses, all or most of the personal property will fall into this category. A partial list of the types of equipment to be reported in this group includes but is not limited to:

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| Answering machines | Laundry/dry cleaning fixtures and equipment |
| Amusement devices (coin-operated) | Libraries (law, medical, professional, etc.) |
| Amusement park rides & equipment | Medical equipment (e.g. MRIs, CT scan, dialysis machines, etc.) |
| Arcade machines | Mining and quarrying equipment |
| ATM machines | Mortuary equipment |
| Auto & truck washes | Musical instruments & equipment |
| Auto repair equipment | Office equipment (e.g. calculators, adding machines, etc.) furniture & fixtures |
| (except tools: see Group 2) | Office trailers |
| Barber and beauty shop furniture, fixtures & equipment | Photographic equipment |
| Broadcasting equipment | Postage meters |
| (except towers: see Group 4) | Professional equipment |
| Bulldozers & backhoes | Recreational equipment (bowling lanes, billiard tables, etc.) |
| Cable television equipment | Repair & maintenance equipment |
| Cameras (including digital cameras) | Restaurant furniture, fixtures & equipment |
| Cash Registers (except computer mainframe: see Group 2) | Retail furniture, fixtures & equipment |
| Cranes | Road building equipment |
| Credit card machines | Satellite dishes |
| Digital Converter Boxes | Signs (not billboards: see Group 6) |
| Dictation (transcribing) equipment | Sound reinforcement & recording equipment |
| Earth moving equipment | Sound Systems |
| Forklifts | Telephones |
| Golf carts | Telephone systems |
| Grocery fixtures & equipment | Theater fixtures & equipment |
| Gym & exercise equipment | Truck trailers (over-the-road equipment hauling) |
| Hospital furniture, fixtures & equipment | Vending machines |
| Hotel/motel/apartment/furniture, fixtures & equipment | Warehousing equipment |

The total acquisition cost must be reported for each item of property included in this group without any part of the cost being separated and placed in another group, even if the item of property contains computer components and software. If the property cannot function or operate for the purpose for which the property is designed without such computer components and software, then no part of the cost can be separated from the property.

GROUP 2 - COMPUTERS, COPIERS, PERIPHERALS AND TOOLS - Include all personal computers, laptops, desktop computers, personal digital assistants, cell phones, paging systems (including purchased pagers), mainframes, minicomputers, supercomputers, CPUs, input devices (such as scanners and keyboards), output devices (such as printers and plotters), monitors, networking equipment, global positioning system equipment, disk drives, tape drives, terminals, operational computer software, cable, modems, copiers, facsimile machines, portable hand and power tools. Operational computer software must be reported, and includes embedded software so integral to the operation of a computer that the computer could not perform any valuable or useful function without the software. If computer software other than operational computer software is included in the sale or lease price of a computer without being separately stated, then the cost of such computer software must be included in the reported cost of the computer. DO NOT REPORT other machinery, equipment or other property in Group 2, even though such machinery, equipment or other property may contain computer components and software.

GROUP 3 - MOLDS, DIES, AND JIGS - Include all molds, dies and jigs.

GROUP 4 - AIRCRAFT, BOATS and TOWERS - Include all aircraft; radio, and TV broadcast towers (not classified as real property); and watercraft (tugs, tow boats, ferries, etc.) **Include all aircraft, boats, radio and TV broadcast towers reported last year as personal property. All new towers, except those excluded in T.C.A. Section 7-59-102(h), should be classified as real property.**

GROUP 5 - MANUFACTURING MACHINERY - Include all machinery used in the manufacturing process. (Printing presses and related machinery should also be reported in this group.) The total acquisition cost must be reported for each item of property included in this group without any part of the cost being separated and placed in another group, even if the item of property contains computer components and software.

GROUP 6 - BILLBOARDS, TANKS, AND PIPELINES - Include all billboards, above-ground tanks and pipelines unless classified as real property.

Billboards are free standing and commonly have a utility attached such as electricity. A sign attached to a building or which is easily movable must be reported in Group 1.

Above-ground storage tanks that can be moved without disassembly and are not affixed to the land are to be reported in this group; otherwise, above-ground storage tanks not meeting this exception to T.C.A. Section 67-5-501(10)(B)(iii) must be classified as real property. Underground tanks are classified as real property and are not to be reported on this schedule.

Pursuant to T.C.A. Section 67-5-501(10)(B)(iii), mains, pipes, pipelines and tanks permitted or authorized to be built, laid or placed in, upon, or under any public or private street or place for conducting steam, heat, water, oil, electricity or any property, substance or product capable of transportation or conveyance therein or that is protected thereby, are properly classified as real property.

GROUP 7 - SCRAP PROPERTY - Include only the property that is NO LONGER capable of use and for which there is no expectation of repair but which is still owned by the business or located at the business site. If property is still being used, is capable of use, or is simply idle, then such property cannot be reported in this group and must be reported in its respective group on this schedule.

GROUP 8 - RAW MATERIALS AND SUPPLIES - Include all raw materials and supplies defined as follows:

RAW MATERIALS are defined as items of tangible personal property, crude or processed, which are held or maintained by a taxpayer for use through refining, combining, or any other process in the production or fabrication of another item or product. **Do not include goods in process.** The determination of whether tangible personal property should be classified as raw material depends on the taxpayer's use of the property and not on the nature or character of the taxpayer's business. Tangible personal property may be classified as raw material in the hands of the taxpayer even if the taxpayer is not considered to be a manufacturer under other Internal Revenue Code provisions.

SUPPLIES are defined as expendable items of tangible personal property which are used or held for use in the support of the business activity, including, but not limited to, office supply stock, stocks of spare parts for the maintenance of machinery and equipment, accessories used in the manufacturing process, printing supplies, packaging materials and supplies, and cleaning and maintenance supplies.

Report the total acquisition cost of all raw materials and supplies on hand as of January 1, 2024, as determined by the "first-in-first-out" (FIFO) method of accounting.

GROUP 9 - VEHICLES - Include all automobiles, buses, tractors, trucks, and other vehicles designed for over-the-road use. If a vehicle carries commercial tags it should be reported. If it is registered to a business or an individual operating as a business, whether or not the vehicle carries commercial tags, the vehicle should be reported. (Truck trailers are reported in Group 1.) Forklifts, golf carts, and other similar items that are not designed for over-the-road use are to be reported in Group 1.

GROUP 10 - CONSTRUCTION-IN-PROGRESS (CIP) - Personal Property which is treated as CIP for federal income tax purposes (as of January 1, 2024) must be reported in this group. Report only those costs included on the taxpayer federal income tax return as CIP. When the construction is complete and the asset is ready for use, it must then be reported in the proper group and the cost must be reported in the year of completion.

PART III. - LEASED PERSONAL PROPERTY

Report all personal property rented or leased by the taxpayer from others for use in the conduct of, or as part of, the business or profession as of January 1, 2024. (T.C.A.) Section 67-5-502(c) provides that personal property leased to a commercial or industrial user is to be assessed to the user. Leased personal property includes, but is not limited to: equipment that is leased only, not sold; equipment that is leased at nominal rent or loaned under certain circumstances; equipment that is leased and not permitted to be sold; leased coin-operated machines and devices; equipment that is placed on location; vehicles, automobiles, or trucks; furniture; electronic equipment; etc.

For "Year Lease Began", report the year of acquisition by the lessor if the lessor purchased the property being used. Otherwise, report the year the property was originally made, if known or able to be reasonably ascertained through investigation, then report the advertised retail price of the property.

Report the total acquisition cost of the leased personal property as acquired by the lessor if the lessor purchased the property being used. If the total acquisition cost is unknown or cannot be ascertained through investigation, then report the advertised retail price of the property.

DO NOT REPORT property that is covered by a Payment-In-Lieu of Tax (PILOT) agreement in this section. PILOT Property is to be reported on a separate schedule.

If you have any questions about previously reported Leased Property, please contact our office for assistance.

PART IV. - OWNED PERSONAL PROPERTY - NONSTANDARD VALUE

If a taxpayer desires to report items of property at a value different from the value that would result from the valuation methodology in Part II, then the taxpayer must report such items of property in this Part IV. Values reported in this section may not be accepted unless sufficient written evidence of the value reported is provided for evaluation by the assessor's staff. The assessor's staff may request clarification or further documentation. Types of evidence that may support nonstandard value include: recent appraisals by appraisers holding professional designations in the valuation of personal property from recognized appraisal organizations and authoritative price or valuation guides for subject property. **Do not use this section to report property for which a nonstandard value is not being requested.**

NOTE: AUCTION, TRADE-IN, AND LEASE PAY-OFF VALUES MAY NOT BE ACCEPTED AS SUFFICIENT WRITTEN EVIDENCE.

PART V. - POLLUTION CONTROL

Special statutory valuation of pollution control equipment must be reported under this part (see T.C.A. Section 67-5-604). The taxpayer **MUST ENCLOSE** a copy of the **pollution control certificate** issued by the Tennessee Department of Environment and Conservation or its designee.

PART VI. - ALTERNATIVE REPORTING FOR SMALL ACCOUNTS

In lieu of detailing acquisition cost, T.C.A. Section 67-5-903(b) permits a taxpayer to certify that the **depreciated value** of tangible personal property, otherwise reportable on the form, is \$1,000 or less. Therefore, if a taxpayer can substantiate that the **depreciated value** of the tangible personal property, including leased equipment and nonstandard equipment, is \$1,000 or less, the taxpayer may indicate so by marking the box on the back of the schedule and signing in the appropriate place. If this certification is later determined to be false, then penalties for perjury and statutory penalty and costs may apply. All schedules are subject to audit and, as part of an audit, a taxpayer may be required to list and document total acquisition cost for equipment used or held for use in the business.

PART VII. - SIGNATURE

The person completing this schedule must **print and sign their name** and state their title and the date of completion. Return the schedule, along with any accompanying data, to the Shelby County Assessor **on or before March 1, 2024**. **PLEASE BE REMINDED: There is no authority for anyone to grant an extension of time to file this schedule.**

This schedule as completed is a public record, but any accompanying documents filed with the schedule or submitted as part of an audit will be treated as confidential pursuant to T.C.A. Section 67-5-402 and any other applicable state or federal law.

INSTRUCTIONS FOR FILING AN AMENDED PERSONAL PROPERTY SCHEDULE

Tennessee Code Annotated 67-5-903(e) provides that a taxpayer may amend a timely filed Personal Property Schedule that has been accepted by the Assessor as filed (rendered) at any time on or before September 1 of the following tax year. A personal property schedule is timely filed if filed on or before March 1 of the applicable year. For 2024, the deadline is March 1, 2024. Amendment of a personal property schedule shall not be permitted once suit has been filed to collect delinquent taxes related to the original assessment. (Distress Warrant or Citation issued.)

A personal property schedule may be amended for the following reasons only:

- Adding or deleting of property to correctly reflect the status of the property as of the assessment date;
- Correcting the reported cost or acquisition year of property;
- Correcting the name or address of the taxpayer;
- Deleting property that has been reported more than once resulting in a duplicate assessment;
- Reporting property in the appropriate group;
- Correcting other reporting clerical errors.

Under no circumstances may a taxpayer amend a personal property schedule to submit an original claim for nonstandard value for property that was not the subject of a properly documented claim of nonstandard value in the timely filed personal property schedule.

The deadline for submitting an Amended 2024 schedule to the Shelby County Assessor of Property for review is on or before September 1, 2024. The schedule should be completed, by placing in the "Cost on File" column, the cost reported on the original schedule filed with the assessor. The corrected cost should be reported in the "Revised Cost" column. In order to review the schedule, the Shelby County Assessor requires a complete explanation of the amendments as well as documentation supporting all changes. An asset listing must be provided and a financial statement may also be required. ***If sufficient documentation is not supplied, the amended schedule will not be accepted for review.***

If the assessor agrees with the amended schedule, the assessment will be revised and the proper taxing jurisdiction notified of the change. If the assessor believes the assessment should be otherwise than claimed in the amended schedule, the assessment will be adjusted and the taxpayer will be given written notice of the adjusted assessment. The taxpayer may appeal the assessor's adjustment of or refusal to accept an amended schedule to the local and state boards of equalization in the manner otherwise provided by law.

Protect Your Rights - File On Time!!

T.C.A Section 67-5-903(e) provides that a taxpayer may amend (correct) a 2024 Personal Property Schedule, filed timely (on or before March 1, 2024) and accepted by the Assessor as filed (rendered), at any time on or before September 1, 2025.

PLEASE RETAIN FOR FUTURE REFERENCE

Questions? Please Contact Us

www.assessor.shelby.tn.us

or

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