



Business Tangible Personal Property



All business owners, including home based businesses, are required to file a business tangible personal property return and current asset list annually. All property located in the City of Charlottesville on January 1 and used or available for use in your business is taxable. This includes property owned by the business, property owned personally and used in the business on a full- or part-time basis, property received as a gift, property that is leased or rented, and property that is fully depreciated or expensed for federal tax purposes. Business tangible personal property taxes are billed semiannually and are due to be paid to the City of Charlottesville Treasurer by June 5 and December 5 of each year.

Annual Renewal

Each year in January, property owners will receive a business personal property return. As a courtesy, the form is pre-populated with amounts that were reported the prior year. It is your responsibility to note new acquisitions and/or disposals from the past year on this form and submit to our office along with a current asset list by January 31. If ownership of the business has changed, please notify the Commissioner of the Revenue's office as soon as possible so that we can notify the new owner of the need to file a declaration.

Current Asset List

Please submit a current asset list along with your business property tax return. For each piece of business property or equipment, please include the original purchase price (cost or cost to acquire), a brief description, and the year of purchase. Include all business property located in the City of Charlottesville, even if fully depreciated for federal tax purposes. Do not include vehicles on this list.



Business Tangible Personal Property



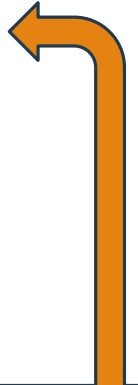
- Business Personal Property is taxed as long as it is in use by a business. Once the item is disposed of, it should be removed from the asset list and is not taxed further.
- Businesses must report all business property in use as of January 1 of each year.
- HomeStays that rent rooms in their personal residence should only list property that is located in the rooms where guests sleep.
- HomeStays offered in dwellings that do not serve as the hosts' permanent residence should list all assets located in those buildings such as furniture.
- Items that are valued under \$500.00 may be consolidated into one list rather than specifically itemizing each item. This only pertains specifically to miscellaneous and incidental tangible personal property used in business, not machinery and tools used by a manufacturer.



Creating and Maintaining an Asset List



ASSET # (if used)	DESCRIPTION	LOCATION	YEAR PURCHASED	ORIGINAL COST
BR1	Bed	Blue Room	2018	\$ 573.00
BR2	Chair	Blue Room	2018	\$ 243.00
BR3	Dresser	Blue Room	2017	\$ 395.00
GR1	Bed	Green Room	2016	\$ 550.00
GR2	Chair	Green Room	2016	\$ 220.00
GR3	Dresser	Green Room	2015	\$ 360.00
RR1	Bed	Red Room	2013	\$ 430.00
RR2	Chair	Red Room	1995	\$ 95.00
RR3	Dresser	Red Room	1997	\$ 115.00



List assets by year.
Update yearly as items
are added or disposed of.

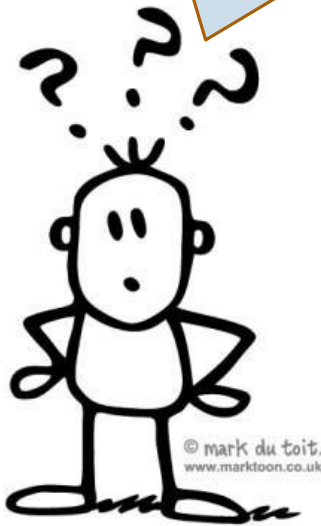


Total by year for annual filing.

PURCHASE YEAR	ORIGINAL PURCHASE PRICE
2018	\$ 816.00
2017	\$ 395.00
2016	\$ 770.00
2015	\$ 360.00
2014	\$ 0.00
2013	\$ 430.00
2012 & Prior	\$ 210.00



How are antiques valued if I do not have the original cost?



Virginia Code is specific: Business Personal Property is to be listed at the **original capitalized cost**.

Suggestions for listing older assets for which you do not have original cost information:

- List the asset's **Reasonable Value** or **Estimated Fair Market Value** on the purchase date or date of acquisition.
- This is a self-reporting process.
- The Commissioner's office will help with each case as needed.



What if I never had an asset list, how can I catch up?



Example: Sunny B&B has been in operation since 1994 and just found out that they need to supply an asset list for Business Personal Property Tax. Sunny B&B has had the same assets in the rooms since 1994 and only added a couple of items recently. Some of these items are antiques that have been in the family for many years and there is no way to verify the original cost by records or receipts. The owner should assign a “reasonable value” or estimated “fair market value” to the items as of the day of acquisition. All items that have been in the rooms since 1994 would be totaled and placed in the oldest category (i.e. 2012 and prior). The other items would be totaled and entered according to year. Going forward, this same list will be updated effective every January 1 of each year subtracting any items that have been discarded from the applicable year and adding any new items to the year placed in service.

PURCHASE YEAR	ORIGINAL PURCHASE PRICE
2018	\$ 385.00
2017	\$ 140.00
2016	\$ 0.00
2015	\$ 0.00
2014	\$ 0.00
2013	\$ 0.00
2012 & Prior	\$ 6800.00

Remember to list any asset used in your business as of January 1 of any given year.



Business Tangible Personal Property



Current Rate \$4.20/\$100

Established annually by City Council

The tax is calculated by multiplying the property's original cost by the appropriate assessment factor determined by the year the asset was purchased and then multiplying the assessed value by the current tax rate.



EXAMPLE:



<u>Purchase Year</u>	<u>Original Cost</u>	<u>Assessment Factor</u>	<u>Assessed Value</u>
2018	\$7,000	x 25%	= \$1,750
2017	\$4,500	x 22.5%	= \$1,012.50
2016	\$5,000	x 20%	= \$1,000
2015	\$2,350	x 17.5%	= \$411.25
2014	\$3,000	x 15%	= \$450
2013	\$4,000	x 12.5%	= \$500
2012 & prior	\$155,000	x 10%	= \$15,500
TOTAL			= \$20,623.75

Calculate Annual Tax Due:
(\$20,623.75) x (\$4.20/\$100) = \$866.20