

## Frequently Asked Questions

### **1. Do I still need to file this Business Property Statement? I recently sold my business.**

Yes, your filing should include the taxable business property and fixtures that you owned, possessed or controlled as of 12:01 a.m., January 1<sup>st</sup> – even though you might subsequently have sold the business. If you sold your business prior to this date, then make that notation in the “remarks” section when you file your statement.

### **2. How much will the tax be?**

The tax is 1% of the assessed value. However, your tax bill may also include special assessments voted in by voters or their representatives within the property’s taxing jurisdiction. Therefore, you can estimate that the taxes will be 1.2% of the assessed value. Under the law, there is no provision for the pro-ration of unsecured property taxes.

### **3. What if the Business Property Statement is not filed?**

If you do not file the Business Property Statement as requested by the Assessor, we are required by law to estimate the value of your property based on the best information available. You will be assessed a 10% penalty for failure to file.

### **4. When is the Business Property Statement due?**

It is due on April 1<sup>st</sup>, and it is late if it is filed after 5:00 p.m. on May 7<sup>th</sup>.

### **5. Is there a late filing penalty?**

Yes, you must file by 5:00 p.m. on May 7<sup>th</sup> unless this day falls on a weekend or holiday. Then the last day to file before a 10% penalty is assessed is the next business day. ([Revenue and Taxation \[R&T\] Code 441\[b\] & 463](#))

### **6. What if I don’t agree with the value on my tax bill?**

The value can be corrected if a clerical error was made. However if the disagreement is a matter of valuation, then you must file an application for changed assessment with the [Assessment Appeals Board](#) during the filing period. Their telephone number is (650) 363-4573.

### **7. What is a “supply” item?**

Any item that you are consuming in your business, such as office supplies, pencils, paper, etc., is a supply item. If you are a manufacturer, supplies do not include anything that becomes a part of the finished product. You should report the cost of the supplies on hand as of 12:01 a.m., January 1<sup>st</sup>. If you do not have an accurate record, you may estimate.

### **8. Is there any property that is exempt or that I do not have to report on my Business Property Statement?**

The following are some common items that should not be reported:

Business Inventory (R&T Code 129)

Application Software (Property Tax Rule 152)

Licensed Motor Vehicles (R&T Code 10751)

First \$50,000 of employee-owned hand tools (R&T Code 241)

### **9. How do I report “disposals?”**

If you disposed of business personal property before 12:00 a.m., January 1<sup>st</sup>, then do not report it. Exclude the original cost of the disposed property from its year of acquisition. For example, last year you reported a \$2,000 computer you acquired in 1995 and sold it prior to January 1<sup>st</sup>. This year, you should exclude the \$2000 cost from the cost reported for the 1995 year of acquisition. Do not report negative costs.

**For additional inquiries not covered above, please call (650) 363-4501 for information.**