

# INSTRUCTION FOR COMPLETING THE PERSONAL PROPERTY LISTING

Assessment Year 2021 / Tax Year 2022

## Page 1

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- 1. Taxpayer Information:** Please verify and update, as applicable, UBI #, business name, mailing address, contact information (phone and e-mail), Doing Business As, and the location/address of personal property.
- 2. Signature:** Please include "Name of Person Submitting Report" and complete the two questions below the signature line by checking "Yes" or "No".
- 3. Farm Machinery and Equipment Exemption:** Do you consider yourself to be a "farmer" as defined in [RCW 82.04.213\(2\)](#)?

Under [RCW 84.36.630](#), all qualifying farm machinery and equipment is exempt **from the state portion** of the property tax.

**Qualifying** machinery and equipment must be (1) owned by an active farmer, (i.e. someone who is in the business of farming), and (2) the equipment must have been used in the business of farming during the year the claim for exemption is made. Additionally, equipment claimed for exemption must also have been used **exclusively** in growing, raising, or producing agricultural products. **(Note: The Assessment Year is 2020.)**

**Non-qualifying** machinery and equipment includes:

- equipment used to produce products used as ingredients of a manufacturing process
- equipment used in growing, raising, or producing agricultural products for a person's own consumption
- equipment used in the selling of animals from stockyards and slaughterhouses
- equipment used in cultivating or raising timber.

The claim for exemption **must be submitted annually** with the listing. For a listing of qualifying farming activities refer to [RCW 82.04.213](#) and [RCW 15.85.020](#).

If you qualify for the Farm Machinery and Equipment Exemption, please complete the exemption application and file with your listing.

Application: [The Application for Exemption of Farm Machinery and Equipment](#)

- 4. Head of Family Exemption:** This exemption is extended only to **Sole Proprietors with residency in the State of Washington**. If you are not a Sole Proprietor, please proceed to Page 2.

Under [RCW 84.36.115](#), the taxpayer is exempt from taxes up to \$15,000 of assessed value of tangible personal property assets if the taxpayer qualifies as Head of Family.

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If you are a **Sole Proprietor with residency in the State of Washington** and want to take advantage of the Head of Family exemption, **only one** of the following requirements must be met:

- Does the owner/user of the personal property reside with other family members? **check "Yes" or "No"**
- Does the owner/user of the personal property receive old age pension under the laws of Washington State? **check "Yes" or No"**
- Is the owner/user of the personal property a surviving spouse or surviving domestic partner, who has neither remarried nor entered into a subsequent domestic partnership? **check "Yes" or "No"**
- Is the owner/user of the personal property a (1) US Citizen, (2) over the age of 65 and (3) who has lived in the state for at least 10 years? **check "Yes", if all three conditions apply or check "No"**

**If you have multiple businesses, qualified taxpayers are allowed only one Head of Family exemption per year statewide.** If you qualify for the Head of Family exemption, do you want the exemption to be applied to your account? **check "Yes" or "No"**

The claim for Head of Family exemption **must be submitted annually.**

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5. **Instructions and other information regarding the listing:** Please read Page 2 of the listing.

## Page 3 and subsequent pages

**Please ensure that you include items in your control or possession as of 01/01/2021. Please do not list items acquired or removed after 01/01/2021.**

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6. **DVD Videos, Blu-Ray Videos, Video Games and VHS Videos:** Videos held exclusively for sale are exempt business inventory. If your business uses videos as part of your operation, please indicate the quantity and year acquired. (Examples: vacation rentals, classes, etc.)
7. **Supplies:** Supplies are items consumed during the year. As a general "rule of thumb", items that purchasers should have paid sales or use tax on are considered consumable supplies. Examples of supplies include but not limited to: office, shop, janitorial or medical supplies, paper, toner, napkins, brochures and promotional materials.

**Enter the annual supply cost.** The Assessor will use 1/12th of the annual supply cost as market value. For example, \$500 per year will be assessed at \$42.

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- 8. Propane and Fuel on-hand:** Enter the average gallons and price per gallon you have on-hand to run your business. Please do not include fuel and propane used for resale.
- 9. Spare Parts:** Spare Parts are items purchased to repair equipment. Examples: hard drive for a computer, battery for a mower, air filter for a tractor, etc.

NOTE: When the spare item is installed into the end-item, the spare part is removed from the listing.

**10. Small tools not identified elsewhere in the listing.**

- 11. Furniture, Fixtures, Machinery, Equipment, Computer Equipment, Art, etc.:** On the table that starts on Page 3, please add items that you have in your control or possession and cross-out items that you no longer have in your control or possession. Include the Acquisition Year and Cost Paid or Best Effort Estimate of the cost. The cost includes freight and installation. Cost does not include sales tax.

NOTE: In lieu of completing this section, you may attach a spreadsheet with the required information (Description of Item, Year of Original Acquisition, Price Paid or Best Effort Estimate of Original Cost).

- 12. Leased Equipment:** Both the lessor and the lessee will be requested to list equipment. Generally, the lessor is responsible for taxes associated with the property.

Please report all equipment leased, rented, or on loan from others. Do not list leased vehicles licensed for use on public streets or highways. Examples of lease equipment includes: copy machines, medical equipment, furniture, etc.

The Leasing Companies (Lessor) complete "Mfg. or Built Year" (2nd column on the table). Other Business Owners (Lessee) complete "Rented or Leased Year" (3rd column on the table).

- 13. Space Improvements / Leasehold and Tenant Improvements:** Personal property tax applies when the lessee/tenant retains ownership of the leasehold improvements, or is required to remove them at the end of the lease.

Please provide a detailed description of space improvements. List ALL improvement costs. Do not eliminate those improvements that are the property of the lessor.

- 14. Canned Software:** "Canned" or "off-the-shelf" Software is typically marketed in the form of a packaged product distributed by retail sources. Most canned software is for mini or mainframe use and is distributed by the developer or licensee of the developer. An example of a canned software program is a personal computer word processing program such as Microsoft Word.

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Enter software purchased in 2020 and 2019. Software 2018 or earlier is exempt from taxation.

- 15. Software Subscription:** A “Software Subscription” purchase usually includes licensed software and provides access to new releases and versions of your software. There is usually an annual/monthly fee. Examples of software subscriptions are Adobe Creative Cloud and Microsoft Office 365.

Enter software subscription in the Canned Software of the listing the annual fee.

- 16. Custom Software:** “Custom Software” is developed with the assistance of in-house or third-party programmers who adapt existing programs or write new programs to meet the user's unique needs. In most cases, custom software is specific to the user and is not available through normal retail channels.

Enter custom software purchased in 2020 and 2019. Software 2018 or earlier is exempt from taxation.