



Dear Monroe County Property Owner,

My responsibility and goal as Property Appraiser has always been to protect the rights of property owners and perform fair, equal, and uniform appraisals for all property owners.

This pamphlet is designed to answer some common questions that property owners may have concerning Tangible Personal Property. In addition, it provides information that will aid property owners, or their representatives, in timely filing of accurate Tangible Personal Property Tax Returns.

Our doors are always open to you. We welcome the opportunity to discuss with you the assessment function or your property appraisals. You may contact us at any of our conveniently located branch offices in Key West, Marathon or Plantation Key.

If you wish to speak to a Tangible Personal Property Field Representative regarding any of your questions or concerns, please feel free to call our office at any time at 305-292-3420.

Remember, as always, we are here to serve you.

Respectfully,

Scott P. Russell
Monroe County Property Appraiser

Office of the Property Appraiser
P.O. Box 1176
Key West, FL 33041

HELPFUL HINTS AND SUGGESTIONS

■ **Be sure the Property Appraiser's Alternate Key number (#####) appears on the return you file.**

■ Please read the instruction sheet that comes with the return in full.

■ Be sure that your return includes the legal name of the entity filing the return and the (d/b/a) "doing business as" name, if different.

■ If you use tax preparation software, you must include the Property Appraiser's Alternate Key number on the return which you file.

■ Be sure to include your Federal Employer Identification Number if you have one.

■ **Be sure to sign and date your return and file it with our office as soon as possible before April 1.**

■ If you are unable to file your return before April 1, you may file a request for an extension of up to 45 days. This request must be filed no later than March 22 so that our office may act upon it before the April 1 due date.

■ Please include your estimate of fair market value and the original installed cost (including such costs as transportation, installation, start-up, and sales tax). These are important considerations in determining an accurate assessment.

■ If you have an asset listing or depreciation schedule that identifies each asset, please attach it to your completed return. This works to your advantage since we can apply the correct depreciation to individual assets.

■ Please identify any equipment that has been physically removed, and be sure to list those items on Page 2. You should identify that line number to which the item relates so that your return can be balanced with your previous filing.

■ Do not write "same as last year, no changes". You must list all personal property in the business on the detail page (2) and list the totals on page 1 (DR405) or list all the items in a rental unit on the Rental Furnishings Return. Your return will be sent back if all personal property is not listed, which may result in penalties.

■ By law, your return is strictly confidential when filed with our office. We will zealously guard its confidential status.

■ If you sell your business, go out of business, or move to a new location, please inform this office. It will enable us to keep timely, accurate records.

■ Additional information and an example of a properly completed return is provided in the instruction portion of the return.

IMPORTANT DATES TO REMEMBER:

January 1

- Date of assessment.
- Personal property returns mailed.

January 1 to March 1

- If you are a Florida resident as of January 1st you may apply for a widow, widower, veteran, or civilian disability exemption on your Tangible Personal Property. You cannot receive the exemption if you are applying for it in another County in the State of Florida.

April 1

- Filing deadline for personal property returns to avoid penalties.

August

- Notice of Proposed Taxes (TRIM Notice) sent, establishes deadline to appeal the assessment as 25 days from the mailing of the notice.

September

- Deadline to file Value Adjustment Board petition.

November

- Tax bills sent by the Monroe County Tax Collector.

**If you have any questions,
please contact our office.
We're here to serve you!**

Visit Our Web Site:
WWW.MCPAFL.ORG

Telephone: 305-292-3420

TANGIBLE PERSONAL PROPERTY



**Your Responsibilities
as a Business Owner**

**SCOTT P. RUSSELL
MONROE COUNTY
PROPERTY APPRAISER**

What is “tangible personal property”?

- Tangible Personal Property is everything other than real estate that has value by itself. It includes such items as furniture, fixtures, tools, machinery, household appliances, signs, equipment, leasehold improvements, supplies, leased equipment and any other equipment used in a business or to earn income.
- Inventory held for resale and household goods for the owner's personal use are exempt from taxation.
- While real property is not subject to taxation as tangible personal property, many items such as signs, exterior lighting, alarm systems and some leasehold improvements may be taxed as personal property.
- **The comprehensive guidelines for the assessment of tangible personal property are determined by the Florida Legislature and are enforced by the Florida Department of Revenue.**
- To ensure tangible personal property is being reported and assessed fairly, the Florida State Department of Revenue conducts random audits of returns filed by Monroe County taxpayers.

Who must file a tangible personal property return?

- Any person, partnership, corporation, self-employed agent or contractor that owns or possesses tangible personal property (see above) located in Florida as of the January 1 tax date must file a tangible property return with the Property Appraiser in the county where the property is located.

Why was I sent a tangible personal property return?

- If you receive a return, our office has determined that you may have personal property to report. If you feel the form is not applicable, return it with an explanation. Regardless, the form **MUST** be returned. Failure to receive a Personal Property Tax Return (DR-405) does not relieve you of your obligation to file.

How can I obtain a tangible personal property return form?

- At the beginning of each year, a return or an exemption notice is mailed to Tangible Personal Property owners. If you do not get one, contact the Property Appraiser's Office @ 305-292-3420 or at www.mcparfl.org.

What if I was sent more than one tax return?

- You must file a return for each physical location in Monroe County where you have tangible personal property.

- You will notice that the Alternate Key numbers are different on each return.
- Even if you have sold the business or no longer have tangible personal property at a particular location, you must return the form with an explanation.

What if I have no tangible personal property to report?

- Please sign and file the return anyway, filling out items 1 through 9 and a “zero” in the original installed cost box, “Total Personal Property” on page 1, and attach a written explanation of why nothing was reported.
- Almost every business owner has some property to report, even if it is only supplies, rented/leased equipment or fully depreciated/expensed property.

Should I file if I am no longer in business?

- Yes. If you were not in business on January 1 of the tax year, follow this procedure:
 1. On your return, indicate the date you went out of business and the manner in which you disposed of your business assets. Remember if you still hold or control the assets, you must file a return on them.
 2. Sign, date, and mail the return back to this office by April 1.
 3. Provide documentation such as final electric bill, final Federal Income Tax Return and bills of sale.

What is “residential personal property”?

- If you own residential rental property, normally household goods such as stoves, refrigerators and furniture become taxable tangible personal property which must be reported each year.
- All tangible personal property must be reported, even if it has been fully depreciated or has been “expensed” on your books.

Do I still have to file a return if I rent my home or condo unfurnished?

- The major appliances such as refrigerator, stove, dishwasher, washer and dryer are considered tangible personal property.

If I rent my furnished home or condo for a few months, do I have to file a return?

- Since rental activity is of an income producing nature, you must file a return that lists your personal property. Items that should be listed include: draperies, furniture, appliances and any other personal property included in the rental unit.

I charter a boat and don't have any personal property. Do I have to file a return?

- Most charter boats do have some sort of personal property. These items would include, but are not limited to, GPS, ice chests, snorkeling gear, fishing equipment, etc.

What if we are an exempt organization?

- Your requirement to re-apply for your exempt status each year has been waived by the Monroe County Board of County Commissioners. However, you are still required to file a return in order to maintain your exempt status.

Must I report tangible personal property that belongs to someone else, or which I furnish to another business?

- Yes. Page 2 requires you to list property that you use in your business but which is owned by others. Typical examples are postage meters, telephone systems, copy equipment, etc.
- If you own tangible personal property that you lease to others and that is typically located in Monroe County, you must report this property on Page 1, line 22.
- We compare your return with the return of the other owner or user to be certain that the tangible personal property is correctly assessed to its actual owner.

Is there a minimum value that I do not have to report?

- No. You must report all tangible personal property. However, if your resulting tax is less than \$5.00, you will not receive a tax bill from the Monroe County Tax Collector's office.

What are the deadlines for filing and non-filing penalties?

- **Your return must be filed in our office by April 1.** After that date, **we are required by state law** to apply a penalty of 5% per month up to a maximum of 25%. There is a 15% penalty for unreported property and a 25% penalty when no return is filed.

Is my mobile home considered real or tangible personal property?

- If you own both the land and the mobile home, and it is permanently set up, it is considered real property.
- If you do not own the land but do own the mobile home, you are required to purchase a mobile home (MH) decal for your mobile home. This MH decal takes the place of taxes.
- Any attachments such as screen porches, glass rooms, carports, awnings and skirting which are added to the mobile home with an MH decal, are considered personal property.
- If no MH decal is purchased for the mobile home, both the mobile home and the attachments are considered personal property.

What if I buy or sell an existing business during the year?

- Tangible personal property taxes constitute a lien against the property rather than a personal obligation of the owner.
- The owner of record on January 1 is responsible for the taxes. However, if the taxes are not paid, the Tax Collector will seize and sell enough of the purchased property to satisfy the tax lien. Most title companies do not address the tangible assets of a business. You should consult your Realtor®, attorney, or closing agent to avoid problems in this area.
- If you buy tangible personal property during the year, you should obtain a copy of paid tax bills for prior years and the seller's return and make an agreeable proration of the current year's taxes.
- Please furnish our office with any allocation of purchase price documents, including I.R.S. Form 8594 (Allocation of Purchase Price), if the personal property was acquired with other assets.

What is an office or field review assessment?

- When a tax return is not filed by April 1 we are required to place an assessment on the property. This assessment represents an estimate based on the value of businesses with similar equipment and assets.
- Being assessed in this manner does not alleviate your responsibility to file an accurate return nor abate penalties.

What if I don't agree with the assessed value that appears on my notice of proposed property tax?

- Each year, we send a notice of proposed property tax (TRIM Notice) with your assessment for that year.
- If you have any questions about the value, we encourage you to call our office to discuss your assessment.
- If you have information that the appraised value is higher than the market value of your property, we welcome the opportunity to meet with you and review all of the pertinent facts.
- After talking with us, if you are still not satisfied, you have 25 days from the date of the notice to file a petition with the Monroe County Value Adjustment Board.
- In order to be heard by the Value Adjustment Board, you **must** file a return.

Tangible personal property \$25,000 exemption, how do I qualify?

- Amendment 1, passed in January 2008, exempts the first \$25,000 in Tangible Personal Property Value. A complete filing must be made to initially qualify for this exemption. Once the exemption is granted no further filings are necessary unless the value of the TPP exceeds \$25,000.