

FRANKLIN COUNTY TAX OFFICE

INSTRUCTIONS FOR PREPARING YOUR BUSINESS LISTING

(ALL LISTINGS WILL BE SUBJECT TO COMPLIANCE REVIEW)

Instructions

INFORMATION SECTION

Complete all sections at the top of the form, whether or not they are specifically addressed in these instructions. Make any changes/corrections to the information section as required. Attach additional sheets if necessary.

- (1) **Make any necessary mailing address changes.**
- (2) Physical address: Please note here the location of the property. The actual physical location may be different from the mailing address. Post Office Boxes are not acceptable.
- (3) Principal Business Activity: What does the listed business do? For example: Tobacco Farmer, Manufacturer of electrical appliances, Laundromat, Restaurant.
- (4) Please list your Federal ID number if your business is a Corporation or LLC.
- (5) Other NC Counties where personal property is located. If your business has property normally located in other counties, list those counties here.
- (6) Date business began in this county: List here the date your business first opened in Franklin County.
- (7) Contact person for audit: In case the county tax office needs information, or to verify information listed, list the person to be contacted here.
- (8) If out of business: If the business we have sent this form to has closed, please complete this section and attach any additional information regarding the sale of the property.

SCHEDULE A – DEPRECIABLE PERSONAL PROPERTY

Schedule A is divided into six groups. Each is addressed below. Some will have the column "PRIOR YR COST" pre-printed. This column should contain the cost information from last year's listing. If it does not, please complete this column, referring to your last year's listing.

Additions made during the previous twelve months are to be reported in the middle column titled "Additions" as a line item for the current year just ended. Equipment transferred in from other locations should be reported at its historic cost the year of original acquisition, not the year of transfer.

Deletions are to be reported in the column titled "Deletions" and matched to the original year of acquisition of the asset removed, not the year of disposal.

COST – Note that the cost information you provide must include all costs associated with the acquisition as well as the costs associated with bringing that property into operation. These costs may include, but are not limited to invoice cost, trade-in allowances, freight, installation costs, sales tax, and construction period interest.

The cost figures reported should be historical cost; that is the original cost of an item when first purchased, even if someone first purchased it other than the current owner. For example, you, the current owner, may have purchased equipment in 2004 for \$100, but the individual you purchased the equipment from acquired the equipment in 2000 for \$1000. You, the current owner, should report the property as acquired in 2000 for \$1000.

Property should be reported at its market cost at the retail level of trade. For example, a manufacturer of computers can make a certain model for \$1000 total cost. It is typically available to any retail customer at \$2000. If the manufacturer uses the model for business purposes, he should report the computer at its market cost at the retail level of trade, which is \$2000, not the \$1000 it actually cost the manufacturer. Manufacturer/lessor businesses that lease the equipment that they manufacture must list their equipment at the retail level of trade rather than their manufacturing cost.

Group (1) MACHINERY & EQUIPMENT

This is the group used for reporting the cost of all machinery and equipment. This includes all warehouse and packaging equipment, as well as manufacturing equipment, production lines, hi-tech or low-tech. List the total cost by year of acquisition, including fully depreciated assets that are still connected with the business. For example, a manufacturer of textiles purchased a knitting machine in October 2017 for \$10,000. The sales tax was \$200, shipping charges were \$200, and installation costs were \$200. The total cost that the manufacturer should report is \$10,600, if there were no other costs incurred. The \$10,600 should be added in group (1) to the 2017 additions column. If you have no machinery or equipment, write "none".

Group (2) OFFICE FURNITURE & FIXTURES

This group is for reporting the costs of all furniture and fixtures & small office machines used in the business operation. This includes, but is not limited to, file cabinets, desks, chairs, adding machines, curtains, blinds, decorative accessories, ceiling fans, window air conditioners, telephones, intercom systems, and burglar alarm systems. If you have no office furniture or fixtures, write "none".

Group (3) COMPUTER EQUIPMENT

This group is for reporting the costs of non-production computers and peripherals. This includes, but is not limited to, personal computers, midrange or mainframes, as well as the monitors, printers, scanners, magnetic storage devices, cables, and other peripherals associated with those computers. This category also includes software that is capitalized and was purchased from an unrelated business entity. This does not include high-tech equipment such as computerized point of sale equipment or high tech medical equipment, or computer controlled equipment, or the high-tech computer components that control the equipment. This type of equipment would be included in Group (1). If you have no computer equipment, write "none".

Group (4) LEASEHOLD IMPROVEMENTS

This group includes real estate improvements to leased property contracted for, installed, and paid for by the lessee which may remain with the real estate, thereby becoming an integral part of the leased fee real estate upon expiration or termination of the current lease, but which are the property of the current lessee who installed it. (Examples are lavatories installed by lessee in a barbershop, special lighting, or dropped ceilings.) If you have no leasehold improvement, write "none".

CONTINUED ON NEXT PAGE

Group (5) OTHER

This group will be used for all other types of equipment not included in the groups referenced above. For example, please reference professional libraries, bank vaults, signs and copiers in this section. Identify items listed.

Group (6) CONSTRUCTION IN PROGRESS (CIP)

CIP is business personal property that is under construction on January 1. The accountant will typically not capitalize the assets under construction until all of the costs associated with the asset are known. In the interim period, the accountant will typically maintain the costs of the assets in a CIP account. The total of this account represents investment in tangible personal property, and is to be listed with the other capital assets of the business during the listing period. List in detail. If you have no CIP, write "none".

SCHEDULE B – WORKSPACE

This schedule is to be used to identify, in detail, the acquisition and/or disposal activity reported in Schedule A. Attach an additional list, if necessary.

SCHEDULE C – SUPPLIES

All businesses have supplies. These include normal business operating supplies. Schedule C lists some of the various types of supplies but is not limited to these mentioned. Remember, the temporary absence of property on January 1 does not mean it should not be listed if that property is normally present. Supplies that are immediately consumed in the manufacturing process or that become a part of the property being sold, such as packaging materials, or raw materials, for a manufacturer, do not have to be listed. Even though inventory is exempt, supplies are not. Even if a business carries supplies in an inventory account, they remain taxable.

SCHEDULE D – VEHICULAR EQUIPMENT

Unregistered motor vehicles, long-term rental vehicles, IRP tag vehicles, and trailers with a multi-year tag. Attached additional sheets if necessary. **List only those titled in the business name.**

This category is for these type motor vehicles only. DO NOT list motor vehicles with a current North Carolina Registration. If the vehicle is located in North Carolina, but has another state's tag, list them here. If vehicles are held for short-term rental purposes, file them in accordance with N.C. Statute G.S. 153A-156, tax on gross receipts. **Any long-term leased vehicles should be listed here. Also, list any motor vehicles which are not registered at all, or semi-trailers or trailers registered on a multi-year basis with a multi-year tag.**

SCHEDULE E – AIRCRAFT, BOATS, MOTORS, and MANUFACTURED HOMES OWNED AS OF JANUARY 1

List only those titled in the business name.

SCHEDULE F – PROPERTY IN YOUR POSSESSION BUT OWNED BY OTHERS

If on January 1, you have in your possession any business machines, machinery, furniture, vending equipment, game machines, postage meter or any other equipment which is loaned, leased or otherwise held and not owned by you, a complete description and ownership of the property should be reported in this section. This information is for office use only. Assessments will be made to the owner/lessor. If you have none, write "none" in this section. If property is held by a lessee under a "capital lease" where there is a conditional sales contract, or if title to the property will transfer at the end of the lease due to a nominal "purchases upon termination" fee, then the lessee is responsible for listing under the appropriate group.

SCHEDULE G – EXPENSED ITEMS

This group is for reporting any assets that would typically be capitalized, but due to the business' capitalization threshold, they have been expensed. This also includes, but is not limited to, repairs made to equipment.

SUPPLEMENTAL PAGE – FARM EQUIPMENT

This is the group used for reporting the cost of all machinery and equipment used for your farming business. List the total cost by year of acquisition, including fully depreciated assets that are still connected with the farming business.

Commonly Asked Questions

Who must file a listing, and what do I list?

Any individual(s) or business(s) owning or possessing personal property used or connected with a business or other income producing purpose on January 1. Temporary absence of personal property from the place at which it is normally taxable shall not affect this requirement. For example, a lawn tractor used for personal use, to mow the lawn at your home is not listed. However, a lawn tractor used as part of a landscaping business in this county must be listed if the lawn tractor is normally in this county, even if it happens to be in another state or county on January 1.

NCGS 105-308 reads that ... "any person whose duty it is to list any property who willfully fails or refuses to list the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. The failure to list shall be prima facie evidence that the failure was willful". Pursuant to NCGS 14-3, a Class 2 misdemeanor is punishable by imprisonment up to six months.

When and where to list?

Listings are due on or before January 31. They must be filed with the Franklin County Tax Office at:

Franklin County Tax Department
Post Office Box 504
Louisburg, NC 27549

As required by state law, late listings will receive a penalty. **An extension of time to list may be obtained by "good cause" submitted in writing to Franklin County Tax by January 31. You may fax your request to 919-496-1630. The maximum extension granted is until April 15.**

How do I list? – Two important rules

- (1) Read these instructions for each schedule or group.
- (2) If a Schedule or Group does not apply to you. Indicate so on the listing form. DO NOT LEAVE A SECTION BLANK. DO NOT WRITE "SAME AS LAST YEAR". A listing form may be rejected for these reasons and could result in late listing penalties.

IMPORTANT REMINDERS

- SIGN THE LISTING FORM
- LIST SUPPLIES ON HAND JANUARY 1.
- RETURN LISTING BY JANUARY 31. EXTENSIONS MAY BE GRANTED TO APRIL 15 IF REQUESTED IN WRITING BY JANUARY 31.
- DO NOT LIST PROPERTY AS "SAME AS LAST YEAR"
- ANY OMISSIONS WILL RESULT IN A REJECTION AND LATE LIST PENALTY.