

## ASSESSOR'S RESPONSIBILITY NOTIFICATION OF VALUE OR NOV

When the Assessor has valued your Business Personal Property, you will receive a Notice of Valuation (NOV). **THIS IS NOT A TAX BILL!** The purpose of the notice is to inform you of any change in your property valuation and advise you of your right to protest the new value. When received, please study the NOV carefully. The notice describes:

- ◆ The business property you own
- ◆ The actual value for both the prior and current year
- ◆ Provides an opportunity to present your objections to the Assessor
- ◆ Advises you of the amount of any change

Keep in mind that any change in value on the NOV affects the amount of tax you pay the following January. If the NOV reflects a value with which you disagree, or if you have questions about the valuation contact your County Assessor right away.

**CONTACT THE ASSESSOR RIGHT AWAY IF YOUR NOV REFLECTS A VALUE YOU DISAGREE WITH!**



## TAX PAYER REMEDIES: YOUR LEGAL RIGHTS UNDER THE LAW

- ◆ You must file an objection with the Assessor in the county where the property is located.
- ◆ For Business Personal Property owners, objection or appeal of the Personal Property Notice of Valuation (NOV) must be postmarked or physically delivered no later than June 30th.
- ◆ The Assessor must give a decision, in writing, by July 10th.

## IF YOU ARE DISSATISFIED WITH THE ASSESSOR'S DECISION:

You may appeal to the County Board of Equalization (CBOE) by July 20th. The CBOE conducts hearings through August 5th. The Board must notify you in writing within 5 business days after the decision has been made.

## IF YOU ARE DISSATISFIED WITH THE DECISION OF THE COUNTY BOARD OF EQUALIZATION:

- ◆ You may appeal to the Board of Assessment Appeals (BAA), Binding Arbitration, or the District Court of the county in which the property is located.
- ◆ Your appeal must be filed within 30 days of the decision of the CBOE.

## IF YOU ARE DISSATISFIED WITH THE BOARD OF ASSESSMENT APPEALS OR DISTRICT COURT DECISION:

- ◆ You may appeal to the Court of Appeals within 30 days of the BAA decision, or within 45 days of a District Court decision.
- ◆ Decisions reached through the Binding Arbitration process are final and not subject to review.

## ASSESSORS FIELD INSPECTION OF PERSONAL PROPERTY

To ensure that all taxpayers receive just and equalized appraisals for their property, Colorado law requires that the Assessor physically inspect Business Personal Property in county on a regular basis. Property owners will be contacted by the Assessor's office when their Business Personal Property account has been selected for an on-site review.

## WHEN TO PAY PROPERTY TAXES?

The County Treasurer is responsible for mailing and collecting the property tax bill. Each year taxpayers receive their property tax bills after January 1st.

For further information concerning Business Personal Property assessments, Please call (719) 520-6610.

*Steve Schleiker*

*El Paso County Assessor*

## Business Personal Property Tax Information

A guide from the El Paso County Assessor's Office to provide greater understanding of the Business Personal Property Valuation and Assessment



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## BUSINESS PERSONAL PROPERTY TAX

The Colorado Personal Property Tax is a levy on Personal Property for a business or organization. The procedure for applying this tax is similar to that used for Real Property: The Assessor places a value on the property and consolidates the levies. The Treasurer then mails a tax bill to the property owner.

### What is Business Personal Property?

Business Personal Property is everything that is not "Real Property", typically portable or moveable items. Business Personal Property includes equipment, machinery, furniture, security devices, signs and personal effects not otherwise exempt by law.

### Assessment Date:

Colorado law states that January 1 is the assessment date. The owner of the property is considered the owner for that entire assessment year.

### How Property is Valued:

The County Assessor's duty is to value Business Personal Property for assessment purposes. The property owner files a Declaration Schedule with the Assessor, listing information regarding the Personal Property that enables the Assessor to estimate the actual value (market value as estimated by Statutory Appraisal Methods) of the property.

### Assessed Value:

The Assessor multiplies the actual value of the Business Personal Property by the assessment rate of 29% to arrive at an assessed value. The assessed value is multiplied by the tax rate to calculate the taxes for the property.

**ASSESSED VALUE: \$40,000 x 29% = \$11,600**  
**ASSESSED VALUE x TAX RATE = TAX BILL**  
**TAX BILL: \$ 11,600 x .070 = \$812**

**NOTE:** In this example, \$40,000 worth of Business Personal Property in a tax district with a mill levy of 0.707 would result in a tax bill of \$812.

### Proration of Value:

Proration is not generally allowed. Business Personal Property owned on the assessment date of January 1, is taxable for the entire year even if the tax status of the property changes or the property is destroyed, transferred or removed from the state during the year.

## DECLARATION SCHEDULES

### What is Required by Law?

Owners of Business Personal Property must declare the taxable property (over \$350 in value) they own to, the Assessor's Office.

- ◆ **NOTE:** Declaration Schedules must list Personal Property in detail, to include deleting previously reported items that are no longer in use.

### Who Must File?

Owners of taxable Business Personal Property such as equipment, machinery, furnishings, signs and personal effects not otherwise exempt by law if the total actual value (market value as estimated by Statutory Appraisal Methods) of the Business Personal Property is greater than \$7,400.00. If in doubt as to the actual value an itemized listing of the Business Personal Property should be filed with the Assessor. The Assessor will then estimate the actual value and notify the taxpayer with a Notice of Valuation of their estimated actual value by June 15.

### When to File:

The Assessor mails Declaration Schedules on or before January 1, and taxpayers must return them to the Assessor by April 15.

- ◆ **IT IS THE RESPONSIBILITY OF THE BUSINESS OWNER TO OBTAIN AND FILE A DECLARATION SCHEDULE, IF ONE IS NOT RECEIVED IN THE MAIL.**

### Extension for Filing Business Personal Property Declarations:

An extension may be obtained from the Assessor's Office by submitting a letter or request and payment of \$20 for ten days or \$40 for twenty days. The extension request must be received by the April 15 deadline.

### Failure to File a Business Personal Property Declaration Schedule:

Any owner of Business Personal Property failing to file a Declaration Schedule by April 15 or by the end of the extension time requested will be fined \$50 or 15% of the taxes due, whichever is the lesser amount. If a Declaration Schedule is not received, the Assessor shall estimate the property value according to the "Best Information Available" assessment method.

- ◆ **Failure to make a complete disclosure of Personal Property will result in an additional penalty of 25% of the undisclosed property.**

### Confidential Documents:

All Business Personal Property Declaration Schedules and enclosed forms returned to the Assessor are considered private, confidential documents by law.

## TYPES OF PERSONAL PROPERTY

All Business Personal Property used in the business, organization or rental property at any time during the year must be reported to the Assessor for the Business Personal Property Assessment. The following is an example of typical items that must be reported:

- ◆ **Machinery:** Equipment, and other articles related to a commercial or industrial operation, including components of fixtures that are required for business operations.
- ◆ **Computer Equipment:** (computer software is exempt from Business Personal Property).

- ◆ **Leasehold improvements:** Certain leasehold improvements are considered Business Personal Property. Property owners report leasehold improvements on the Declaration Schedule and the Assessor determines if they are Business Personal Property, as opposed to Real Property Improvements.
- ◆ **Signs:** Any type of signage that represents the business, organization or property.

### Portable or Moveable Equipment to be Located in more than one County:

The owner must show the following information with his Business Personal Property Schedule:

- ◆ Type, description, and serial number of equipment.
- ◆ The counties in which the equipment will be located.
- ◆ Estimated time in each county.
- ◆ Examples of this type of equipment include drilling rigs, forklifts, and trench diggers.

The Assessor will estimate a value that is apportioned to each county. It is highly recommended that all mobile equipment be licensed with the Department of Motor Vehicles.

### NOTE:

Some equipment is classified as type "F" or special mobile equipment and is valued and taxed by the local County Clerk. This property should be declared as such on the Business Personal Property Declaration Schedule.

### Consumable Business Personal Property Exemption under \$350:

In 2000, C.R.S. 39-3-119 was amended to exempt "Consumable Business Personal Property." To be classified as "consumable" and item of Personal Property must fall under one of the two criteria listed below:

- ◆ The item must have an economic life of one (1) year or less. The criteria apply to any item of Business Personal Property regardless of the original acquisition cost. This category also includes nonfunctional Business Personal Property items used as a source of parts for the repair of operational machinery and equipment.
- ◆ The item of Business Personal Property has an economic life exceeding one (1) year, and has an acquisition cost including installation, sales tax, and freight expense, of \$350 or less. If an item is acquired or is provided to the business owner at nominal or no cost, the \$350 per item shall apply to the fair market value at the time of acquisition. The \$350 applies to each Personal Property item as completely assembled for use in the business.

### NOTE:

All items equaling \$350 or less are exempt from Business Personal Property tax and should not be declared unless the above criteria has been met.