

BUSINESS LISTING INSTRUCTIONS – COMMONLY ASKED QUESTIONS

WHO MUST FILE A LISTING, AND WHAT DO I LIST?

Any individual(s) or business(es) 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 rule. 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 the county, even if it happens to be in another state or county on January 1. N.C.G.S. 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 N.C.G.S. 14-3, a Class 2 misdemeanor is punishable by **imprisonment for up to six months.**

WHEN AND WHERE TO LIST?

Listings are due on or before January 31. They must be filed with the County Assessor’s office. As required by state law, late listings will receive a penalty. An extension of time to list may be obtained by sending a written request showing “good cause” to the County Assessor by January 31.

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.

INFORMATION SECTION

Complete all sections at the top of the form, whether or not they are specifically addressed in these INSTRUCTIONS. Attach additional sheets if necessary.

- (1) **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.
- (2) **Type of Business** in New Hanover County: What does the listed business do? For example: Tobacco Farmer, Manufacture electrical appliances, Laundromat, Restaurant.
- (3) **Other NC Counties** where personal property is located: If your business has property normally located in other counties, list those counties here.
- (4) **Contact person for audit:** In case the county tax office needs additional information, or to verify the information listed, list the person to be contacted here.
- (5) **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.
- (6) **Make any necessary address changes.**

SCHEDULE A

The year acquired column: The rows which begin “2010” are the rows in which you report property acquired during the calendar year 2010. Other years follow the same format. Schedule A is divided into eight (8) groups. Each is addressed below. Some records may have the column “Prior Years Cost” pre-printed. This column should contain the cost information from last year’s listing. If it does not, please complete this column, referring back to your last year’s listing. List under “Current Year’s Cost” the 100% cost of all depreciable personal property in your possession on January 1. Include all fully depreciated assets as well. Round amounts to the nearest dollar. Use the “Additions” and ‘Deletions” column to

explain changes from ‘Prior Yr. Cost” to “Current Yr. Cost.” The “Prior Year’s Cost” plus “Additions” minus “Deletions” should equal “Current Year’s Cost.” If there are any additions and/or deletions, please attach a separate sheet, which describes and gives the cost of each of those additions and/or deletions. If the deletion is a transferred or paid out lease, please note this, and to whom the property was transferred.

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 it was first purchased by someone other than the current owner. **For example,** you, the current owner, may have purchased equipment in 2000 for \$100, but the individual you purchased the equipment from acquired the equipment in 1992 for \$1000. You, the current owner, should report the property as acquired in 1992 for \$1000. Property should be reported as its market cost at the retail level of trade. **For example,** a manufacturer of computers can make a certain model for \$100 total cost. It is typically available to any retail customer for \$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 \$100 it actually cost the manufacturer. Manufacturer/lessor businesses, which 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 2000 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 2000 current year’s cost column.

GROUP (2) OFFICE FURNITURE

This group is for reporting the costs of all furniture & fixtures and small office machines used in a business operation. This includes, but is not limited to, file cabinets, desks, chairs, adding machines, curtains, blinds, ceiling fans, window air conditioners, telephones, intercom systems, and burglar alarm systems.

GROUP (3) COMPUTER EQUIPMENT

This group is for reporting the costs of non-production computers & peripherals. This includes, but is not limited to, personal computers, midrange, or mainframes, as well as the monitors, printers, scanners, magnetic storage devices, cables, & other peripherals associated with those computers. This category also includes software that is capitalized and purchased from an unrelated business entity. This **does not include** high tech equipment such as computerized point of sales 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).

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 barber shop, special lighting, or dropped ceiling.) If you have no leasehold improvements write "none" **If this category is used you must attach a detailed list of all leasehold improvements.**

GROUP (5) EXPENSED ITEMS

This group is for reporting any assets, which would typically be capitalized, but due to the business' capitalization threshold, they have been expensed. Report **current year only**. Section 179 expensed items should be included in the appropriate group

(1) through (4). Fill in the blank, which asks for your business' "Capitalization Threshold". If you have no expensed items write "none".

GROUP (6) OTHER

This group will not be used unless instructed by authorized county tax personnel. **If this category is used you must submit a detailed list as to what assets are included in this group.**

GROUP (7) CONSTRUCTION IN PROGRESS

CIP IS BUSINESS PERSONAL PROPERTY, WHICH IS UNDER CONSTRUCTION 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 asset 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. **You must list in detail as to what is included in the CIP account.** If you have no CIP, write "none".

GROUP (8) SUPPLIES

Almost all businesses have supplies. These include normal business operation supplies. The "TYPE" column is for, but is not limited to the following "types" of supplies: OFFICE SUPPLIES, MAINTENANCE & JANITORIAL SUPPLIES, MEDICAL, DENTAL, OR OTHER PROFESSIONAL SUPPLIES, BEAUTY & BARBER SHOP SUPPLIES, FUELS OF ALL KINDS, EQUIPMENT SPARE PARTS, MOTEL & MOTEL SUPPLIES. List the type and cost on hand as of January 1. Remember, the temporary absence of property 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. (Formula: Add all expense accounts for the year that contain supplies and divide by (12) twelve to give a (1) month supply on hand.)

SCHEDULE B VEHICULAR EQUIPMENT – Attach additional sheets if necessary.

GROUP (1) UNREGISTERED MOTOR VEHICLES, "UDR" RENTAL VEHICLES, MULTIYEAR TAGGED TRAILERS

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 tag list them here. Also, list any motor vehicles which are not registered at all, or semitrailers or trailers registered on a multiyear basis. (Include a description of vehicle, plate number, vin#.) PLEASE SUBMIT A LIST OF ALL "UDR" RENTAL VEHICLES WITH YOUR LISTING FORM.

GROUP (2), (3), (4) SHOULD BE LISTED AS APPROPRIATE.

SCHEDULE C 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 meters, 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 "purchase upon termination" fee, then the lessee is responsible for listing under the appropriate group.

AFFIRMATION

If an authorized person does not sign the form, it will be rejected and could be subject to penalties. Please read the information on this section of the form regarding who may sign the listing form. Listings submitted by mail shall be deemed to be filed as of the date shown on the postmark affixed by the US Postal Service. Any other indication of the date mailed (such as your own postage meter) is not considered and the listing shall be deemed to be filed when received in the office of the Tax Assessor. Any person who willfully attempts, or who willfully aids or abets any person to attempt, in any manner to evade or defeat the taxes imposed under this Subchapter (of the Revenue Laws), whether by removal or concealment of property or otherwise, shall be guilty of a Class 2 misdemeanor. (Punishable by imprisonment up to 6 months).

PRIVILEGE LICENSE INFORMATION

According to North Carolina General Statute 153a-152 – "Privilege License Taxes", authority is given to Counties to levy privilege license taxes on trades, occupations, professions, businesses and franchises to the extent authorized by Article 2 of Chapter 105 of the General Statute and any other acts of the General Assembly.

Pursuant to the New Hanover County Code, Chapter 14, Article 3, Privilege License Taxation, an annual privilege (business) license must be obtained for the following activities and sales conducted within New Hanover County.

- Automotive – equipment, supplies, radios, tires & motor fuel, retail & wholesale
- Automotive and Trailer – service, repair, upholstery, painting, storage
- Beer and Wine
- Billiard and pool tables
- Bowling Alleys
- Check Cashing
- Circuses, Animal Shows
- Elevator Sales & Installation
- Employment Agents/Solicitors
- Firearms & Other Weapons
- Itinerant Merchants
- Loan Agencies
- Motor Vehicles – buying, selling, distributing, retail or wholesale
- Motorcycles – buying, selling, distributing or repair
- Trailers & Semi-Trailers – buying, selling, distributing, retail or wholesale
- Music Machines
- Pawnbrokers
- Peddlers
- Pinball machines, video game machines, shooting galleries, rides & similar amusements
- Protective Sprinkler Systems – sales & installation
- Service Stations
- Skating Rinks
- Specialty Market Operators

Penalties apply to persons actively engaged in business prior to obtaining the required license. Anyone desiring further information on required privilege (business) license and their annual fee, may call 910-798-7113 or check the New Hanover County website, www.nhcgov.com, online ordinances – Chapter 14, article 3, Section 14-131 and 14-132.