

Please Note

- Appraisal depreciation is different than accounting depreciation. Appraisal depreciation is defined as the loss of value of an asset over time from all sources including physical wear and tear, functional obsolescence and economic obsolescence. Accounting depreciation is the recovery of capital cost over a defined period.
- Economic life is not the same as the depreciation period allowed for federal income tax purposes. For example, medical equipment has an economic life of 11 years with a residual value of 11 percent. Medical equipment purchased in 1994 for \$200,000 would have a 2020 market value of \$22,000 ($200,000 \times .11 = 22,000$). Each year the schedules are adjusted using an overall economic index.
- The percent good factor for heavy equipment is developed from a trade publication called the *Green Guide*. Cost new is compared to an average of retail and wholesale prices for each year.
- Property used in the business that is fully depreciated for accounting purposes is taxable and must be reported.
- Leased property is usually assessed to the lessor. If the lessee is a tax exempt entity, property tax may still be due.
- Conditional sales agreements which are termed leases are taxable to the lessee.

Taxation

Taxes are based upon the location and status of property as of January 1 of each year. For example, a business must pay 2020 taxes on all personal and real property acquired before Jan. 1, 2020. Property acquired in 2019 is not taxed until Jan. 1, 2020.

Property taxes are a primary source of revenue to local government entities including counties, school districts, cities and towns, and a variety of special districts.

Taxes are due on May 15. If taxes are not paid on time, interest accrues until taxes are paid. Interest is equal to the Federal Funds Rate Target set on January 1 preceding delinquency plus six percentage points and may not be less than 7 percent or more than 10 percent. Interest is 7.75 percent for 2020. In addition to the interest accumulated, the assessor must seize and sell the personal property in order to meet the tax liability or attach it to the real property owned by the business to secure the payment of the taxes.

Appeals

A business may appeal any property valuation to the county board of equalization. Appeals must be filed within 60 days of the date the tax notice is mailed by the assessor (see UC §59-2-1005).

The county board of equalization is required to issue a written decision to the taxpayer. If the property owner disagrees with the county decision, an appeal may be filed with the State Tax Commission within **30 days** of the county decision.

The Tax Commission schedules may not be appealed to or changed by the county board of equalization. However, the county board may deviate from the schedules on a case-by-case basis when local circumstances and evidence warrant an adjustment.

Audits

The Property Tax Division of the State Tax Commission audits personal property accounts throughout the state. Audits are selected based on a variety of criteria, including failure to file the annual *Personal Property Signed Statement*. A business selected for an audit is notified by mail two weeks in advance of the audit. The auditor will call to schedule an on-site inspection of the property and the accounting records. Audit results may be appealed to the county board of equalization.

Assessor's Office Phone Numbers

For more information about business personal property assessment and taxation, please contact your local county assessor, listed below.

<u>County</u>	<u>Assessor</u>	<u>Telephone</u>
Beaver	Trent Brown	435-438-6400
Box Elder	Rodney Bennett	435-734-3337
Cache	Kathleen Howell	435-755-1590
Carbon	Julie Medley	435-636-3249
Daggett	Lesla Asay	435-784-3222
Davis	Dale Peterson	801-451-3252
Duchesne	Gregory Garff	435-738-1115
Emery	Kris Bell	435-381-2474
Garfield	Joe Thompson	435-676-1152
Grand	Debbie Swasey	435-259-1329
Iron	Cindy Bulloch	435-477-8311
Juab	Zack Buck	435-623-3428
Kane	Ryan Maddux	435-644-2647
Millard	Pat Manis	435-743-5719
Morgan	Gwen Rich	801-845-4000
Piute	Dale Bagley	435-577-2988
Rich	Kim Wilson	435-793-5215
Salt Lake	Kevin Jacobs	385-468-7999
San Juan	Greg Adams	435-587-3221
Sanpete	Ken Bench	435-835-2111
Sevier	Amy Garren-Clark	435-893-0430
Summit	Steve Martin	435-336-3257
Tooele	Wendy Shubert	435-843-3138
Uintah	Barbara Simper	435-781-5322
Utah	Kris Poulson	801-851-8326
Wasatch	Buff Griffiths	435-657-3181
Washington	Tom Durrant	435-634-5703
Wayne	Sharon Torgerson	435-836-1305
Weber	John Ulibarri	801-399-8573