

BUSINESS PROPERTY STATEMENT INFORMATION SHEET FREQUENTLY ASKED QUESTIONS

Please note that the responses below specifically identify the Business Property Statement. If we had sent you a different type of Property Statement, the explanations are still valid.

WHY DO I HAVE TO COMPLETE THIS STATEMENT?

Per the California Revenue & Taxation Code (Section 441), every person who owns, claims, possesses, or controls tangible personal property not specifically exempted, shall file a Business Property Statement upon request of the Assessor. Generally, personal property that is assessable consists of business property used in the conduct of a business (i.e., machinery and equipment, office furniture and equipment, tools, computer equipment, and leasehold improvements), boats, aircraft, and mobile equipment. Since you have received this Statement, you are required to complete it and file it with the Assessor.

WHEN IS THE STATEMENT DUE?

The Business Property Statement indicates that the Statement is to be filed by April 1. However, according to The California Revenue & Taxation Code (Section 441 & 463), the taxpayer has until May 7 (or the next business day if May 7 is on a weekend) to file the Statement. If we do not receive the Statement by May 7, our office must add a 10% late filing penalty. If the Statement is mailed and includes a postmark of May 7, or before, the Statement will be accepted as timely filed. For those that are eligible, if you decide to e-file your Business Property Statement, the Statement can be filed up until 11:59 PM on May 7.

HOW DO I E-FILE A STATEMENT?

If your account is eligible for Electronic Filing, you will or already have received information from the Assessor with login information. The Request to File Letter will include your Assessment Number, Business Identification Number (BIN), and Form Code, which will be used to log into your account. To enter the electronic filing process, visit the following webpage.

http://www.co.shasta.ca.us/index/assessor_index/efile_property_statement.aspx

WHAT HAPPENS IF I DON'T FILE A VALID STATEMENT TIMELY?

If a valid Business Property Statement is not filed or is not filed timely, The California Revenue & Taxation Code (Sections 441 & 470) requires the Assessor to add a 10% penalty to the assessed value. The same penalty may apply for Statements that are not completed properly. For those taxpayers that do not file a Business Property Statement upon request or do not complete the Statement properly, the Assessor is required to estimate the value of the property to which the 10% penalty will be applied.

WHY DID YOU RETURN MY FILED STATEMENT?

If we receive a Business Property Statement that is not completed properly, our office may return the Statement for proper completion. We will include a Send Back Letter with the returned Statement identifying the reason(s) it was returned. Many of the remaining Frequently Asked Question will shed some insight on many of the common problems we find with Business Property Statements. After reviewing the Send Back Letter and these Frequently Asked Questions, please contact our office if you still do not understand why it was sent back.

WHAT IS CONSIDERED A 'VALID STATEMENT'?

While completing the Business Property Statement, all items on the Statement must be addressed properly, including each of the following. Per Revenue & Taxation Code Section 441(g), the Assessor will not accept a statement determined to be in error. The following are typical problem areas on the statement.

- **Location of the Business Property:** For Businesses, this would be the primary location of the equipment used in your business. If you are a construction company, logging company, etc., where the equipment moves from location to location, this would represent the location of the company's home office. For those with only mobile equipment, this would represent the primary storage location of the equipment.
- **Part I: General Information:** All of the questions in this section must be addressed properly.
- **Part II: Declaration of Property Belonging to You:** In completing this section, all of the attached sections need to be completed properly as amounts are transferred from Schedules A, B, and any alternate schedules that may be provided. Also, an amount representing Supplies must be reported on Line 1 based on the supplies on hand on January 1.
- **Part III: Declaration of Property Belonging to Others:** Any personal property and fixtures that belong to others must be reported in this section. The most common will be equipment being leased/finance, but can also include equipment on location provided by services you contract with outside companies. See the Instructions provided with your Statement for a full listing of the type of items that should be included. Please note that if you have a Conditional Sales Contract (equipment is capitalized and title transfers to you at the end of the lease), the item(s) should be included on Schedule A and not in this section. Please indicate in this Section if you included the item elsewhere on the Statement.
- **Declaration by Assessee:** This section needs to be completed in full and signed by a valid individual. See the FAQ 'What is considered a valid signature' for more information.
- **Schedules A & B:** These schedules must be completed with the acquisition costs of personal property and fixtures broken down by year of acquisition and type. The columns and pages must be totaled according to the instructions and the amounts carried back to the appropriate lines in Part II.
- **BOE-571-D (Supplemental Schedule for Reporting Monthly Acquisitions and Disposals of Property Reported on Schedule B of the Business Property Statement):** If there are additions and/or acquisitions of items reported on Schedule B, the itemization of the changes must be made on this schedule. With the information provided, we have better information to ensure that items are classified properly.

Please note that in no circumstance can we accept 'Same as Last year' or 'No Changes' as valid information. If the Statement is not completed properly, we may return the Statement for proper completion if time permits. An invalid Statement will be considered the same as a Statement not filed timely.

WHAT IF THE PRINTED INFORMATION IS NOT CORRECT?

Per the Instructions provided, it asks for you to make the necessary corrections to the printed name, mailing address, and location of the business property. Do this by lining out the incorrect information and documenting the correct information on the side. Please do not place a label over our printed information. If the location of the business is incorrect, but you are still located in Shasta County, please be sure to document the correct date in Part 1 (d). If you moved out of Shasta County, please see the instructions on the opposite side of this sheet.

WHAT IS CONSIDERED A VALID SIGNATURE?

According to the instructions, the Statement must be signed by the assessee, a duly appointed fiduciary, or a person authorized to sign on behalf of the assessee. For all ownership types, a member of the bar, a certified public accountant, a public accountant, or an enrolled agent is an authorized signor. The following represent those that are authorized by type of the business organization. Please note that stamped or pre-printed signatures are not considered valid.

- **Sole Proprietorship:** The owner of the business is the only one that fits in this category. If the spouse of the owner is part of the business but not included in the name on the Statement, you may consider adding the spouse.
- **Corporation:** Authorized signers include an officer or an employee or agent who has been designated in writing by the Board of Directors, by name or by title.
- **Partnership:** A partner or an authorized employee or agent
- **Limited Liability Company (LLC):** An LLC manager, a member of the LLC where there is no manager, or an employee or agent designated by the LLC manager or by the members to sign on behalf of the LLC.

If the individual signing the Statement does not fit in with any of the descriptions above, in order to be an authorized signor, we must have a valid Agent Authorization on file before we can accept another individual's signature as valid. A valid Agent Authorization would consist of a notice on Company letterhead and signed by an authorized signor indicating the individual or position(s) that are authorized to sign. We have included a sample of a Statement of Authorization on our website for your review.

http://www.co.shasta.ca.us/index/assessor_index/assessor_forms.aspx

CAN I USE A SOFTWARE-GENERATED STATEMENT?

There are several companies that have software that generates a statement similar to the Business Property Statement. Per Revenue & Taxation Code Section 441.5, the Assessor has taken the position to NOT accept software generated statements in lieu of the original. Software generated statements may be used as an attachment to the original if all items are addressed properly and the original includes a valid signature. If not valid, your statement may be returned for correction and/or considered to be an invalid filing.