



Business Tangible Personal Property



All business owners, including home based businesses, are required to file a business tangible personal property return and current asset list annually. All property located in Loudoun County on January 1 and used or available for use in your business is taxable. This includes property owned by the business, property owned personally and used in the business on a full- or part-time basis, property received as a gift, property that is leased or rented, and property that is fully depreciated or expensed for federal tax purposes. Business tangible personal property taxes are billed semiannually and are due to be paid to the Loudoun County Treasurer by May 5 and October 5 of each year.

Annual Renewal

Each year in January, property owners will receive a courtesy reminder notification pertaining to business tangible personal property. It is your responsibility to submit to our office your business tangible personal property information along with a current asset list by March 1. If ownership has changed, please notify the Commissioner of the Revenue's office as soon as possible so that we can notify the new owner of the need to file a declaration.

Current Asset List

Please submit a current asset list in Excel .xls or .csv format along with your business property tax return online at www.loudoun.gov/bppt-file. For each piece of business property or equipment, please include the **original purchase price, a brief description, and the year of purchase**. Include all business property located in Loudoun County, even if fully depreciated for federal tax purposes. Do not include vehicles on this list.



Business Tangible Personal Property

- ❖ Business Personal Property is taxed as long as it is in use by a business. Once the item is disposed of, then it should be removed from the asset list and is not taxed further.
- ❖ Businesses report all business property in use as of January 1 of each year.
- ❖ B&B's that rent rooms in their own personal home should only list property that is located in the rooms that are advertised for rent.
- ❖ Areas that are shared by the owner and the customers are excluded from reporting.
- ❖ B&Bs that offer separate cottages/houses should list all assets located in those buildings such as furniture. However, all major appliances customarily used in a residential home and which are the property of the owner of the real estate are exempt from taxation including refrigerators, stoves, ranges, microwave ovens, dishwashers, trash compactors, clothes dryers, garbage disposals and air conditioning units.
- ❖ Items that are valued under \$500.00 may be consolidated into one list rather than specifically itemizing each item. This only pertains specifically to miscellaneous and incidental tangible personal property used in business not machinery and tools used by a manufacturer.



Creating and Maintaining an Asset List



ASSET # (if used)	DESCRIPTION	LOCATION	YEAR PURCHASED	ORIGINAL COST
BR2	Bed	Blue Room	2018	\$ 573.00
BR2	Chair	Blue Room	2018	\$ 243.00
BR2	Dresser	Blue Room	2017	\$ 395.00
GR5	Bed	Green Room	2016	\$ 550.00
GR5	Chair	Green Room	2016	\$ 220.00
GR5	Dresser	Green Room	2015	\$ 360.00
RR6	Bed	Red Room	2013	\$ 430.00
RR6	Chair	Red Room	1995	\$ 95.00
RR6	Dresser	Red Room	1967	\$ 115.00

List assets by year
Update yearly as items are added or disposed of

PURCHASE YEAR	ORIGINAL PURCHASE PRICE
2018	\$816.00
2017	\$395.00
2016	\$770.00
2015	\$360.00
2014 & Prior	\$640.00

Total by year for annual filing online at www.Loudoun.gov/efile



How are antiques valued if I do not have the original cost?



Virginia Code is specific: Business Personal Property is to be listed at the **original capitalized cost**.

Suggestions for listing older assets for which you do not have original cost information:

- ❖ List the asset's **Reasonable value** or **Estimated Fair Market Value** on purchase date or date of acquisition
- ❖ This is a self reporting process
- ❖ The Commissioner's office will help with each case as needed



What if I never had an asset list, how can I catch up?



Example: Sunny B&B has been in operation since 1994 and just found out that they need to supply an asset list for Business Personal Property Tax. Sunny B&B has had the same assets in the rooms since 1994 and only added a couple of items recently. Some of these items are antiques that have been in the family for many years and there is no way to verify the original cost by records or receipts. The owner should assign a “reasonable value” or estimated “fair market value” to the items as of the day of acquisition. All items that have been in the rooms since 1994 would be totaled and placed in the oldest category (i.e. 2014 and prior). The other items would be totaled and entered according to year. Going forward, this same list will be updated effective every January 1 of each year subtracting any items that have been discarded from the applicable year and adding any new items to the year placed in service.

PURCHASE YEAR	ORIGINAL PURCHASE PRICE
2018	\$385.00
2017	\$140.00
2016	\$0.00
2015	\$0.00
2014 & Prior	\$6800.00

Remember to list any asset used in your business as of January 1 of any given year.



Business Tangible Personal Property

Current Rate \$4.20/\$100 –

Established annually by the Board of Supervisors

The tax is calculated by multiplying the property's original cost by the appropriate assessment factor determined by the year the asset is purchased and then multiplying the assessed value by the current tax rate.

Business owners can go to www.Loudoun.gov/efile to see their most recent filing amounts.



EXAMPLE:

<u>Purchase Year</u>	<u>Original Cost</u>	<u>Assessment Factor</u>	<u>Assessed Value</u>
2018	\$7,000	X 50%	= \$3,500
2017	\$4,500	X 40%	= \$1,800
2016	\$5,000	X 30%	= \$1,500
2015	\$2,350	X 20%	= \$470
2014 & prior	\$155,000	X 10%	= \$15,500
TOTAL			= \$22,770

**Calculate Annual Tax Due:
(\$22,770/100) x \$4.20 = \$956.34**