



Business Property Assessment Return Instructions

Return Deadline and Municipal Contacts

The Business Property Assessment Return must be completed, signed, postmarked and returned before April 30th of the tax year to the address noted above or email below. Know that office postage meter strips are not recognized as proof of mailing date. The Personal Property section only recognize U.S. Postal Service postmark or a nationally recognized express mail delivery service with a date stamp on or before the due date as evidence of timely filing. Instructions are provided for each of the six parts of the Business Property Assessment Return. In addition, the Municipality's Personal Property Department has staff available to assist with questions. You are welcome to:

- call (907) 343-6752
- contact us by e-mail at wwbpp@muni.org
- visit our web site at www.muni.org/finance/paperpersonal.cfm

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General Information

All owners of business personal property valued at over \$20,000 and located within the Municipality of Anchorage are required to annually complete and file a business property assessment return listing all business personal property owned, possessed, or controlled as of January 1st to include donated items and items acquired by contributing capital. *See* AMC 12.10 et seq. Business personal property taxes are used to pay for local governmental services such as schools, roads, police and fire protection.

In accordance with Alaska Statute, licensed vehicles should not be reported as business property; a registration tax will be paid when the vehicle is licensed.

See Anchorage Municipal Code (AMC) Title 12 and Alaska Statute (AS) Title 29 for details:

- For information regarding Anchorage Municipal Code, please contact the Municipal Clerk at 343-4311, or visit our website at www.muni.org/finance/paperpersonal.cfm .
- For Alaska Statute information, please call the State of Alaska Legislative Information Office (LIO) at 269-0111, send an email to LIO.Anchorage@akleg.gov or visit their web site at www.anchorage.akleg.gov

Business Personal Property Valuations and Tax Assessment

Every year Anchorage business owners are required to report business personal property by category, year of acquisition, and cost. The Municipality's Personal Property Section will review the return, establish an assessed value, and notify the taxpayer. The assessed value is the estimated price the property would bring in an open market under then prevailing market conditions. Once the assessed value has been determined, an assessment notice will be mailed. Later in the year, a tax bill will be sent to each taxpayer. In succeeding years, the taxpayer will receive information in the mail on how to view the previous years return and what was reported through the SmartFile system. The taxpayer need only update their inventory, supplies and list any acquisition and/or disposal of business personal property during the past calendar year.

The Assessor is charged by law to assess business personal property. State and local laws provide for compliance through audits, which may lead to the collection of taxes, interest, penalties and costs for previously unreported property as far back as six years. Civil penalties may be assessed in the event that false information is provided on the return. In instances where the business owner neglects or refuses to file the return, the Assessor must estimate the business personal property assessed value.

Part I – Contact Information

Complete all of the requested information in **Part I**. Refer below for further instruction as needed. **Note:** Your business will be assigned an account number and tax district when the return is submitted.

Business Name

Provide the full, legal name for the business. Also include the DBA (doing business as) name, if applicable.

Mailing and Billing Address

Provide the mailing/billing address for the business to which you would like all correspondence from the Municipality to be mailed (i.e. assessment information and tax bill).

Contact Person

Provide the person to be contacted in the event that there are questions during our review of your return. Include the person's title, e-mail address, telephone and fax numbers (with area code).

Part II – Closure

The information in **Part II** of the return must be completed if the business was **closed, sold** or **liquidated** during the previous calendar year. If the business was closed **after** December 31st of the previous year, you are still responsible for filing a current year Business Property Assessment Return.

Complete the requested information as detailed below:

Type of Closure, Date of Closure

Indicate whether the business was **closed, sold** or **liquidated** and include the date of closure.

Business Assets were

Check the appropriate box(es) for the disposition of the assets at closure. If **Other** is checked, please further describe.

New Owner Name, Address & Phone

If the business was sold, provide the new owner's name, address and telephone number so that we may update our records, remove your name from the business, and address all further correspondence to the new owner.

Part III – Ownership Information

Complete the requested information as detailed below:

Ownership Type

Check the appropriate box to indicate the legal form of ownership or enter a more specific classification at **Other**, e.g. Sub Chapter S Corporation.

State of Alaska Business License Number and Expiration Date

Provide the number on your State of Alaska business license and the expiration date.

State NAICS Code / Line of Business and Activities Code

Provide the State's Line of Business and Activities Code (North American Industry Classification Systems, or NAICS), based on your business' primary source of revenue. For further information on Lines of Business and Activities Code classifications, refer to the Alaska Division of Occupational Licensing web site at www.commerce.alaska.gov/web/cbpl/BusinessLicensing/AKLOBandNAICS.aspx

Line of Business and Business start date

Describe the general business activities, e.g. retail clothing, general contractor, independent consultant, etc. Provide the date of when the Business began operating.

Part IV – Property Lifecycles

The appropriate property lifecycles must be completed in **Part IV** for all business personal property **owned** by the business on January 1st at 12:01 AM. Items acquired **after** that time will be reported on **next** year's return.

If you filed a return last year, the taxpayer will receive information in the mail on how to view the previous years return and what was reported through the SmartFile system. The taxpayer need only enter their Lifecycle 1 assets and list any acquisition and/or disposal of business personal property during the past calendar year.

For Leasing Companies Only

Check the box provided if you have submitted your filing in one of the acceptable, alternative electronic formats. Then provide Page 1 and the required signatures on page 8 of the return.

Lifecycle 1 – Inventory for Sale and Supplies on Hand January 1st

Inventory consists of the items a retail or wholesale merchant has on hand January 1st at 12:01 AM for sale, lease, and/or rental. Inventory held by a manufacturer or processor in the form of raw materials will also be reported on Lifecycle 1. The amount to be reported includes the acquisition cost, plus freight and all related preparation costs. Inventory does not include items for use or consumption by the business. For consignment goods, see the **Non- Owned Property** section.

Supplies are items or materials normally consumed in the operation of your business. If you do not have records to provide the supply figure, a realistic estimate may be substituted. **Property Appraisal assumes that every business has supplies.** If an amount is not provided for Lifecycle 1, one will be estimated for your business.

Lifecycles 3, 6, 8, 8.5, 10, 15, 20, 30 & 50 – General Business Assets

Identify the appropriate lifecycles to use, grouping business personal property items by acquisition year and original acquisition cost. Refer to the **Business Personal Property Classification Table** to determine the appropriate lifecycle for reporting specific items owned by your business. If you converted a personal item into a business asset, indicate the year purchased and how much you paid for it. If you cannot determine which property schedule to use, please contact us at (907) 343-6752 or by email at wwbpp@muni.org and our staff will assist you.

Business personal property should be grouped by lifecycle and net additions / deletions should be reported by **Year of Acquisition**. The acquisition cost should reflect the cost of the item when purchased. This includes, but is not limited to, freight, installation costs, sales tax and/or the market value of trade-ins, donations, or exchanges that were part of the purchase.

Enter net additions or deletions to business personal property in the **Net Change +/-** column of the lifecycle, in the appropriate row for **Year of Acquisition**. The Municipality will apply the appropriate percent good factors to determine the assessed value. Additions should be reported in the year acquired. Deletions should be reported in the year in which property was originally purchased, not the year of disposal.

Example of First Time Filing :

Below are two example schedules for an initial return filing, showing how to group and report personal property. For this example, the business acquired:

- a desk for \$400 in year 2022
- an office chair for \$200 in year 2022
- a computer for \$2,800 in year 2023
- a printer for \$800 in year 2024

Use the **Net Change +/-** column since this is a first time filing and the Municipality has no prior information (in subsequent years' filings, the Municipality will provide this information in the **Total Original Installed Cost** column).

The **Business Personal Property Classification Table** on page 8 classifies the desk and chair (Office Furniture and Fixtures) to be reported on **Lifecycle 10** . Since the desk and chair were both purchased in **Year 2022**, their costs are added together ($\$400 + \$200 = \$600$) and entered under the **Net Change +/-** column in the row for **Year 2022** on **Lifecycle 10**, as shown below.

Lifecycle 10	Office Furn., Equip. & Leasehold Imp., Store, Rest. & Warehouse Equip, Med/Den/Opt Equip.	
Year of Acquisition	Total Original Installed Cost	Net Change +/-
2015 and Prior		
2016		
2017		
2018		
2019		
2020		
2021		
2022		600
2023		
2024		
Value <small>MOA Internal Use Only</small>		

Enter the grouped personal property purchases for Year 2022

600

According to the **Business Personal Property Classification Table** on page 8, the computer and printer (Computer and Data Processing) to be reported on **Lifecycle 6**. The \$2,800 computer is entered under the **Net Change +/-** column in the row for **Year 2023**. The \$800 printer is entered as a net addition to the computer system in the **Net Change +/-** column in the **Year 2024** on **Lifecycle 6**, as shown below:

Lifecycle 6	Computers and Data Processing Equipment	
Year of Acquisition	Total Original Installed Cost	Net Change +/-
2018 and Prior		
2019		
2020		
2021		
2022		
2023		2,800
2024		800
Value <small>MOA Internal Use Only</small>		

Enter addition of computer purchased in Year 2023

Enter addition of printer purchased in Year 2024

2,800
800

Example of Subsequent Year Filing

In each subsequent year after filing the initial return, your business will receive information in the mail on how to view the previous years return and what was reported through the SmartFile system. For the current year filing you will only be required to report **Lifecycle 1** and net additions and deletions.

Below are two example schedules for a year 2025 filing which show how to add new assets and delete those that have been disposed of. In this example, since the previous year's filing, this business has:

- disposed of a chair purchased in year 2023 for \$200
- replaced the chair with a new one costing \$250 in year 2024
- disposed of a computer purchased in year 2022 for \$2,500
- purchased another computer for \$3,500 in year 2024

The **Business Personal Property Classification Table** on page 8 classifies a chair (Office Furniture and Fixtures) is to be reported on **Lifecycle 10**. For the chair that was disposed of, the deletion is noted by entering the original cost under the **Net Change +/-** column in the row for **Year 2023**. The replacement chair purchase price is listed as an addition under the same column in the row for **Year 2024**.

Lifecycle 10	Office Furn., Equip & Leasehold Imp., Store, Rest. & Warehouse Equip, Med/Den/Opt Equip.	
Year of Acquisition	Total Original Installed Cost	Net Change +/-
2015 and Prior		
2016		
2017		
2018		
2019		
2020		
2021		
2022	750	
2023	1000	-200
2024		250
Value MOA Internal Use Only		

Information from the previous year return

Enter asset deletion

Enter asset addition

According to the **Business Personal Property Classification Table** on page 8, the computer (Computer and Data Processing Equipment) is to be reported on **Lifecycle 6**. To report the disposal of this computer, which was originally purchased in **Year 2022**, the original cost is listed as - \$2,500 under the **Net Change +/-** column in the row for **Year 2022**. The acquisition cost of \$3,500 for the new computer is listed as an addition under the same column in the row for **Year 2024**.

Lifecycle 6	Computers and Data Processing Equipment	
Year of Acquisition	Total Original Installed Cost	Net Change +/-
2018 and Prior		
2019		
2020		
2021		
2022	5,000	- 2,500
2023	1,000	
2024		3,500
Value MOA Internal Use Only		

Information from the previous year return.

Enter asset deletion

Enter asset addition.

Lifecycle 8 – Heavy Const. & Mfg. Equipment & High Tech Medical/ Dental/ Optical Equipment

Heavy Const. & Mfg. Equip can include Cranes, tractors, compressors, welders. High Tech Medical/ Dental/ Optical Equipment can include Digital Imaging and ultrasound equipment, MRI and CATscan.

Additional Comments Section - Bottom of Page 2

If there are significant changes to any Lifecycles (additions or deletions) please add any information that will explain these changes. Any comments that you believe would be beneficial for Personal Property staff to know when processing your Business Personal Property Assessment Return , please use this space.

Lifecycle 15 - Railcars

The installed cost of all railcars in your fleet located in Alaska must be reported on the **Lifecycle - 15 Railcars** section. The assessment will be based on an allocation factor.

Lifecycle 20 – Cable Antenna, Cell Towers, Kiosks, Carts, Portable Offices & Boats

This Lifecycle includes, but is not limited to; Portable generators, portable offices, kiosks and coffee stands/carts, boats (including the motor) owned and used for business purposes.

Lifecycle 30 - Mobile Homes used in business, Large power and production utility generators

All mobile homes owned in a business capacity, used as a rental, or held for sale as inventory must be reported on your return under Lifecycle 30. You must include Acquisition Year and Acquisition Cost.

Part V – Special Property Lifecycles

Other – For all assets not reported in any other Lifecycle

If you still have questions on which Lifecycle an asset should be placed after reviewing the Business Property Assessment Instructions and/ or speaking with the Personal Property section, you may enter them here. Upon review from Personal Property staff, assets will be placed in the appropriate Lifecycle.

Lifecycle 2 - Videos, DVDs, Games and VHS

You will enter the **total number** of Videos, DVDs and Games in one column. You will enter the **total number** of VHS in the other column. These items are assessed using a set value, so it is important to make sure each item is in the right column with the **total count, not original cost**.

Aircraft used for business

All Aircraft not subject to the flat tax under Title 12 and used to conduct your business must be reported on the **Scheduled Airliners Used for Business** section. The assessment will be apportioned based on the aircraft model and the number of landings in Anchorage. Complete all the information requested for **each aircraft model**, attaching additional pages as needed. Specify the number of landings made for **each aircraft model** during the previous calendar year.

All Aircraft assigned an N - Number by the Federal Aviation Administration and used for business are subject to a flat tax based on weight. Complete all the information requested for **each aircraft**, attaching additional pages as needed.

Leased Property (not real estate)

Except for real property, all other property you lease from another party should be filed under the Leased Property section. The Municipality assesses leased equipment to the owner of record, which is the Lessor. Please complete the information requested to avoid possible duplicate assessment of this property.

If you retain the leased equipment once the lease expires, delete this property from the Leased Property section and add it to the appropriate Lifecycle. Use the date of the original lease as the year acquired and the original cost at the inception of the lease.

Non – Owned Property at Business Location

Any other property at your place of business on January 1st that is not owned or leased by your business should be disclosed in this section. Examples of Non – Owned Property include consigned inventory, equipment stored for others, or equipment owned by other businesses operating from your business location. Please complete the information requested to avoid possible duplicate assessment of this property.

Part VI – Required Signatures

The business signature **and** the preparer signature, if other than the taxpayer, are **both** required. Please complete all the information requested.

Business Personal Property Classification Table

The following categorization of business personal property is not intended to be all-inclusive. It is a schedule to assist you in classifying your property to the appropriate Lifecycles provided. If you need help classifying property that is not listed here, please call the Personal Property Section at (907) 343-6752.

Lifecycle	Descriptions
3	Hotel and motel linen, decorative plants, clothing and costume rentals.
6	Mainframe Computer Systems, personal and mini-computers and their peripherals, CAD/CAM systems and LAN systems, printers, scanners, cell phones. Electronic cash registers and Point of Sale (POS) Systems. Do Not include Software.
8	Cranes, loaders, scrapers, tractors, backhoes, mixers, batch plants, snow removal equipment, and other heavy equipment. Compressors, drills, grinders, lathes, welders, motors, conveyers, pumps, printing presses, janitorial equipment, other production equipment, hand tools, pallets, small generators etc., High Tech medical equipment which can include digital imaging, ultrasound, MRI and CAT equipment.
8.5	B & B/ Hotel/ Rental furnishings to include beds, nightstands, dressers, stereos, personal refrigerators, lamps, furniture for rentals, dressers, catering equipment, refrigerators, washers, and dryers.
10	All copiers (excluding printing presses), fax machines, and televisions. Office furniture and telephone systems. Backbars and bars, wall racks in clothing stores, lighting fixtures, portable partitions, mirrors, showcases, movable counters, security systems and ATMs. All signs, including poles and installation costs. Bowling alley equipment, Car wash equipment including water heaters, pumps, coin changers, etc., Commercial laundry equipment including washers, dryers, water heaters, tanks, dry cleaning equipment, coin changers and laundry carts. Auto Service equipment including gasoline pumps, hoists, tire machines, lube systems, chargers, balancers, tools, etc. Vending machines, amusement games and pool tables. Warehouse equipment including forklifts, etc. All medical, dental and optical equipment including x-ray equipment, medical instruments, hospital equipment, microscopes, exam tables and chairs. Items that can be removed without severe damage to real estate.
15	Connex containers and underground storage tanks.
Railcar	Railcars--Provide the original installed cost of all railcars in your Alaska fleet, operating on the Alaska Railroad system, and an allocation factor will be applied to determine the assessed value.
20	Cable, antennas, cell towers, kiosks in the mall, coffee stands and carts, portable generators, water wheel; turbines. Portable offices and boats (including the motors).
30	Mobile homes used for non-personal and/ or business purposes, large power, production and utility generators.
50	Pipeline
Other	This section is to only be used if you have already spoken with Personal Property staff and still cannot determine what Lifecycle an asset should be reported on.

Business Personal Property Alphabetical Asset List

The following list is not intended to be all-inclusive. If you need help classifying assets that are not listed here, please call the Personal Property section at (907) 343-6752.

Item	Lifecycle
Antenna	20
ATMs	10
Backhoes	8
Back bars	10
Ball Racks	10
Beds	8.5
Boats	20
Calculators	10
Catering Equipment	8.5
Cell Towers	20
Chairs	10
Chargers	10
Clothing	3
Compressors	8
Conveyers	8
Copiers	10
Cranes	8
Credenzas	10
Cribs	10
Desks	10
Dressers	8.5
Drills	8
Electronic Cash Registers	6
Exam Tables	10
Fax Machine	10
Filing Cabinets	10
Food and Drink Dispensers	10
Forklift	10
Gasoline pumps	10
Grinders	8
Hand Tools	8
High Chairs	10
Hoists	10
Janitorial Equipment	8
Lamps	8.5
Laundry Carts	10
Law and Accounting Books	10
Linens	3
Loaders	8
Lube Systems	10
Mailing Machine	10

Item	Lifecycle
Mirrors	10
Mixers	8
Mobile Homes	30
Movable Counters	10
MRI/Digital Imaging	8
Pallets	10
Partitions	10
Pinball Machines	10
Pinsetters	10
Plants (decorative)	3
Playpens	10
Portable Generators	20
Printers	6
Printing Press	8
Pumps	10
Racks	10
Refrigerators	8.5
Rental Furniture	8.5
Scrapers	8
Security Systems	10
Service Station Tools	10
Signs	10
Showcases	10
Snow Removal Equipment	8
Steam Generators	30
Steam Turbo Generators	30
Stereos	8.5
Tables (Office)	10
Telecommunications Equipment	20
Telephone System	10
Televisions	10
Tire Machines	10
Toys	10
Tractors	8
Vending Machines	10
Wall Racks in Clothing Stores	10
Washer/Dryers (Commercial)	10
Washer/Dryers (Residential Rental)	8.5
Water Wheel Turbines	20
Welders	8
X-Ray Machines	10

Glossary

Assessed Value	A value set upon personal property by the Municipality as a basis for levying taxes. The assessed value seeks to represent the full and true value (or market value) of the property – i.e., the estimated price which the property would bring in an open market and under the then-prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.
Depreciation	A method to account for an asset when its value is considered to decrease over time. The percent good factors used by the Municipality in mass appraising business personal property do not match either book or tax depreciation. As long as an asset of a business is still available for use in the business, it is given an assessed value. Depreciation is not a deletion for the purposes of completing the return.
Inventory	Assets that are owned solely for the purpose of sale rather than use. Inventory includes items held for sale by a wholesaler, distributor, or retailer.
Involuntary Filing	The Assessor may prepare an involuntary tax return on the owner's behalf where the Assessor has reasonable grounds to believe that a person owned taxable business personal property on the tax lien date, and such person has failed to file a return as required by law. These filings may be subject to a 20% penalty.
Lifecycles	The Municipality's method of organizing assets by use and assigning assessed value.
Original Installed Cost	Cost of an asset at the time of acquisition (i.e. purchase price), including all expenses necessary to convert purchase price or acquisition cost to incorporate the cost of the asset brought to highest and best use. These expenses include sales tax, freight, installation and any other costs necessary to place the property in service for its intended use.
Personal Property	Personal Property, in the broadest sense, includes items that are not affixed to real property (land and buildings), including both tangible and intangible property. Note: The Municipality does <u>not</u> tax intangible property.
Situs	The principal place where business personal property is located. Factors that may indicate the principal location of the property include, but are not limited to, the location of its owner; the place where it is registered or licensed; and/or whether it is taxed by other municipalities.
Supplies	Assets consumed in the operation of the business and not held for resale. Examples include: copy paper, pens, other office supplies, cleaning supplies.
Tax District/Area	The Municipality is divided into tax districts and the mill rate (tax rate) is assigned to each tax district based on the city services available in that district. If you have multiple business locations it is important that you file each separately because each may be subject to a different mill rate.
Tax Lien	Taxes levied on business personal property are a first priority lien that attaches on the property on January 1 of each year, the tax lien date. The lien includes any penalty, interest and costs which may accrue.