



# Business Property Assessment Return Instructions

## Return Deadline and Municipal Contacts

The Business Property Assessment Return must be completed, signed, postmarked and returned before April 20<sup>th</sup> of the tax year to the address noted above. For consideration of a timely postmark on April 20 it must be an Official Postal Service postmark. Instructions are provided for each of the six parts of the Business Property Assessment Return. In addition, the Municipality's Property Appraisal Customer Service has staff available to assist with questions. You are welcome to:

- call (907) 343-6770
- contact us by e-mail at [wwbpp@muni.org](mailto:wwbpp@muni.org)
- visit our web site at [www.muni.org/finance/paperpersonal.cfm](http://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 1<sup>st</sup> 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](http://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 [Anchorage.LIO@legis.state.ak.us](mailto:Anchorage.LIO@legis.state.ak.us) or visit their web site at [www.legis.state.ak.us](http://www.legis.state.ak.us).

### 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 return supplied to the taxpayer is preprinted with all property previously reported. 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 – Name, Address and Contact

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. The account number and tax district are pre-printed in subsequent years.

#### 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 31<sup>st</sup> 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, including items 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.

### **Owner Name(s)**

Provide the names of all of the owners of your business.

### **State of Alaska Business License #, License Expiration Date**

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

### **Type of Business, Years in Business**

Describe the general business activities, e.g. retail clothing, general contractor, independent consultant, etc. Provide the number of years in business.

### **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.dced.state.ak.us/occ/buslic.htm](http://www.dced.state.ak.us/occ/buslic.htm).

## Part IV – Property Schedules 1 – 19

The appropriate property schedules 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 information you provided is pre-printed on the return in the header section of each property schedule page and on the schedules used for reporting. You are only required to report additions or deletions to the business personal property assets during the previous 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 the required signatures on page 8 of the return.

### Schedule 1 – Inventory for Sale on Hand January 1<sup>st</sup>

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 Schedule 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 **Schedule 21**.

### Schedule 2 – Supplies on Hand January 1<sup>st</sup>

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 a supply value is not provided, one will be estimated for your business.

### Schedules 3 through 16 – General Business Assets

Identify the appropriate schedules to use, grouping business personal property items by schedule. Refer to the **Business Personal Property Classification Table** to determine the appropriate schedule 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) 343-6770 or by email at [wwbpb@muni.org](mailto:wwbpb@muni.org) and our staff will assist you.

Business personal property should be grouped by schedule 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 Additions / (Deletions)** column of the schedule, 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 2016
- an office chair for \$200 in year 2016
- a computer for \$2,800 in year 2017
- a printer for \$800 in year 2018

Use the **Net Additions / (Deletions)** 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 as **Office Furniture and Fixtures** to be reported on **Schedule 3**. Since the desk and chair were both purchased in **Year 2016**, their costs are added together (\$400 + \$200 = \$600) and entered under the **Net Additions / (Deletions)** column in the row for **Year 2016** on **Schedule 3**, as shown below.

Schedule 3	Office Furniture, Equipment and Leasehold Improvements	
Year of Acquisition	Total Original Installed Cost	Net Additions / (Deletions)
2009 and Prior		
2010		
2011		
2012		
2013		
2014		
2015		
2016		600
2017		
2018		
Value		
<small>MOA Internal Use Only</small>		

Enter the grouped personal property purchases for Year 2016

According to the **Business Personal Property Classification Table** on page 8, the computer and printer are classified as **Computers and Data Processing Equipment** to be reported on **Schedule 4**. The \$2,800 computer is entered under the **Net Additions / (Deletions)** column in the row for **Year 2017**. The \$800 printer is entered as a net addition to the computer system in the **Net Additions / (Deletions)** column in the **Year 2018** on **Schedule 4**, as shown below:

Schedule 4	Computers and Data Processing Equipment	
Year of Acquisition	Total Original Installed Cost	Net Additions / (Deletions)
2010 and prior		
2013		
2014		
2015		
2016		
2017		2,800
2018		800
Value		
<small>MOA Internal Use Only</small>		

Enter addition of computer purchased in Year 2017

Enter addition of printer purchased in Year 2018

### Example of Subsequent Year Filing

In each subsequent year after filing the initial return, your business will receive a return with pre-printed information showing what was filed on the property schedules in the previous year. For the current year filing you will only be required to report net additions / (deletions) to the pre-printed information.

Below are two example schedules for a year 2019 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 2017 for \$200
- replaced the chair with a new one costing \$250 in year 2018
- disposed of a computer purchased in year 2016 for \$2,500
- purchased another computer for \$3,500 in year 2018

The **Business Personal Property Classification Table** on page 8 classifies a chair as **Office Furniture** to be reported on **Schedule 3**. For the chair that was disposed of, the deletion is noted by entering the original cost in brackets (\$200) under the **Net Additions / (Deletions)** column in the row for **Year 2017**. The replacement chair purchase price is listed as an addition under the same column in the row for **Year 2018**.

<b>Schedule 3</b>		
<b>Office Furniture, Equipment and Leasehold Improvements</b>		
Year of Acquisition	Total Original Installed Cost	Net Additions / (Deletions)
2009 and Prior		
2010		
2011		
2012		
2013		
2014		
2015		
2016	750	
2017	1000	(200)
2018		250
Value		
<small>MOA Internal Use Only</small>		

Pre-printed 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 is classified under **Computers and Data Processing Equipment** to be reported on **Schedule 4**. To report the disposal (deletion) of this computer, which was originally purchased in **Year 2016**, the original cost is listed in brackets (\$2,500) under the **Net Additions / (Deletions)** column in the row for **Year 2016**. The acquisition cost of \$3,500 for the new computer is listed as an addition under the same column in the row for **Year 2018**.

<b>Schedule 4</b>		
<b>Computers and Data Processing Equipment</b>		
Year of Acquisition	Total Original Installed Cost	Net Additions / (Deletions)
2012 and Prior		
2013		
2014		
2015		
2016	5,000	(2,500)
2017	1,000	
2018		3,500
Value		
<small>MOA Internal Use Only</small>		

Pre-printed information from the previous year return

Enter asset deletion

Enter asset addition

**Schedule 14 – Rail Cars**

The installed cost of all railcars in your fleet located in Alaska must be reported on **Schedule 14**. The assessment will be based on an allocation factor.

**Schedule 16– Other**

High Tech Medical equipment (Digital imaging, Ultrasound, MRI, CAT), snowmobiles, Large Power Generators and other Production Generators\*\*. Any other equipment that is not referenced in the other schedules.

\*\*Generally, all utility powered generators are carried under Schedule 16 and have a 30 year life. For clarification or questions, please contact the Personal Property section.

### Schedule 17 – Aircraft Used in Business

All aircraft not subject to the registration tax under AMC 12.08.010 and used to conduct your business must be reported on **Schedule 17** of your return. The assessment will be apportioned based on aircraft model and the number of landings in Anchorage.

Complete all of the information requested for **each aircraft model**, attaching additional pages as needed.

#### **Number of Landings, Aircraft Model and Average Age**

Specify the number of landings made for **each aircraft model** during the previous calendar year. Include the average age of the fleet.

### Schedule 18 – Mobile Homes Used in Business

All mobile homes owned in a business capacity, used as a rental, or held for sale as inventory must be reported on your return on **Schedule 18**.

### Schedule 19 – Boats Used in Business

All boats owned and used in a business capacity must be reported on your return on **Schedule 19**.

## Part V – Special Property Schedules

### Schedule 20 – Leased Equipment

Except for real property, all other property you lease from another party should be filed on **Schedule 20**. 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 **Schedule 20** and add it to the appropriate schedule. Use the date of the original lease as the year acquired and the original cost at the inception of the lease.

### Schedule 21 – Non-Owned Property at Business Location

Any other property at your place of business on January 1 that is not owned or leased by your business should be disclosed on **Schedule 21**. Examples of **Non-Owned Property** include consigned inventory, equipment stored for others, or equipment owned by other businesses operating from your 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 schedules provided. If you need help classifying property that is not listed here, please call Property Appraisal Customer Service at (907) 343-6770.

Schedule	Descriptions
3	All copiers (excluding printing presses), fax machines, and televisions. Office furniture, fixtures, bookcases, desks, chairs, credenzas, file cabinets, tables, telephone systems. High chairs, cribs, play pens, toys, and playground equipment. Backbars and bars, wall racks in clothing stores, portable partitions, mirrors, showcases, movable counters, and security systems. Reference materials and books, including law and accounting books. All signs, including poles and installation costs. Items that can be removed without severe damage to real estate.
4	Mainframe Computer Systems, personal and mini-computers and their peripherals, CAD/CAM systems and LAN systems, printers, electronic cash registers. Point of Sale (POS) Systems. Do Not include Software.
5	Bowling alley equipment, including pinsetters, ball racks, lane accessories, etc. 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. Service station equipment, including gasoline pumps, hoists, tire machines, lube systems, chargers, balancers, tools, etc. Also, food and drink dispensers, vending machines, pinball and other amusement games, pool tables, cigarette vending machines. Warehouse equipment including forklifts, etc.
6	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.
7	Beds, nightstands, dressers, stereos, personal refrigerators, lamps, furniture for rentals, dressers, catering equipment, refrigerators, washers, and dryers.
8	Videos, DVDs and games—enter the quantity rather than the original installed cost.
9	Connex containers / underground storage tanks
10	Artwork
11	Cable, antennas, cell towers, kiosks, coffee stands, Portable Generators, Water Wheel; Turbines.
12	All medical, dental and optical equipment, including x-ray equipment, medical instruments, hospital equipment, microscopes, exam tables and chairs.
13	Hotel/motel linen, plants, clothing and costume rentals.
14	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.
15	Pipeline
16	High Tech Medical equipment (Digital imaging, Ultrasound, MRI, CAT), snowmobiles, Large Power Generators, and other Production Generators**. Any other equipment that is not referenced in the other schedules.

\*\*Generally, all utility powered generators are carried under Schedule 16 and have a 30 year life. For clarification or questions, please contact Property Appraisal Customer Service.



## 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 Property Appraisal Customer Service at (907) 343-6770.

Item	Schedule
Antenna	11
Artwork	10
Backhoes	6
Back bars	3
Ball Racks	5
Beds	7
Bookcases	3
Calculators	3
Catering Equipment	7
Cell Towers	11
Chairs	3
Chargers	5
Clothing	13
Compressors	6
Conveyers	6
Copiers	3
Cranes	6
Credenzas	3
Cribs	3
Desks	3
Dressers	7
Drills	6
Electronic Cash Registers	4
Exam Tables	12
Fax Machine	3
Filing Cabinets	3
Food and Drink Dispensers	5
Forklift	5
Gasoline pumps	5
Grinders	6
Hand Tools	6
High Chairs	3
Hoists	5
Janitorial Equipment	6
Lamps	7
Laundry Carts	5
Law and Accounting Books	3
Linens	13
Loaders	6
Lube Systems	5
Mailing Machine	3

Item	Schedule
Mirrors	3
Mixers	6
Movable Counters	3
MRI/Digital Imaging	16
Pallets	5
Partitions	3
Pinball Machines	5
Pinsetters	5
Plants	13
Playpens	3
Power Generators	11
Printers	4
Printing Press	6
Pumps	5
Racks	5
Refrigerators	7
Rental Furniture	7
Scrapers	6
Security Systems	3
Service Station Tools	5
Signs	3
Showcases	3
Snow Removal Equipment	6
Snowmobiles	16
Steam Generators	16
Steam Turbo Generators	16
Stereos	7
Tables (Office)	3
Telecommunications Equipment	11
Telephone System	3
Televisions	3
Tire Machines	5
Toys	3
Tractors	6
Vending Machines	5
Wall Racks in Clothing Stores	3
Washer/Dryers (Commercial)	5
Washer/Dryers (Residential Rental)	7
Water Wheel Turbines	11
Welders	6
X-Ray Machines	12

## Glossary

<b>Assessed Value</b>	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.
<b>Depreciation</b>	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. <b>Depreciation is not a deletion for the purposes of completing the return.</b>
<b>Inventory</b>	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.
<b>Involuntary Filing</b>	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.
<b>Original Installed Cost</b>	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.
<b>Personal Property</b>	Personal Property, in the broadest sense, includes items that are not affixed to real property (land and buildings), including both tangible and intangible property. <b>Note:</b> The Municipality does <u>not</u> tax intangible property.
<b>Schedules</b>	The Municipality's method of organizing assets by use and assigning assessed value.
<b>Situs</b>	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.
<b>Supplies</b>	Assets consumed in the operation of the business and not held for resale. Examples include: copy paper, pens, other office supplies, cleaning supplies.
<b>Tax District/Area</b>	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.
<b>Tax Lien</b>	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.