

Tangible Personal Property \$25,000 exemption

Q: What is Tangible Personal Property?

A: Tangible Personal Property (TPP) is equipment used by a business, including fixtures and other items such as furniture.

Q: Does the \$25,000 exemption apply to original acquired cost or assessed value?

A: The first \$25,000 of assessed value would be exempt.

Q: I have a small business with less than \$25,000 in assets, do I still have to file every year?

A: In order to qualify for the exemption every owner with an active business operating in the county must file an initial tax return, even if the assessed value is less than the \$25,000 exemption. If the Property Appraiser's office then determines that assessed value is less than \$25,000, future filings are waived. If, in subsequent years, the value exceeds the exemption, the taxpayer is obligated to file a return or lose the exemption and potentially pay penalties.

Q: If I have multiple locations for my business, am I required to file separately?

A: Yes, a return must be filed for each location within the county where the owner transacts business. Freestanding property placed at multiple sites, other than where the owner transacts business, such as billboards, vending machines, LP/Propane tanks, must have a single return filed and will receive one \$25,000 exemption.

Q: Do I receive the exemption if I forget to file?

A: No, you do not receive the \$25,000 exemption if you forget to file. In fact you could suffer penalties of up to 25% of your taxable value for failing to file. If the assessed value as reported on your TRIM notice is less than \$25,000, you do not need to file a return in subsequent years, unless you acquire new assets that cause the value of your personal property to exceed \$25,000.