

# Personal property assessment and taxation



June 2006

[www.oregon.gov/DOR](http://www.oregon.gov/DOR)

All personal property is, by law, valued at 100 percent of its real market value unless exempt by statutes. Personal property is taxable in the county where it is located as of the assessment date, January 1 at 1 a.m.

## Taxable personal property

Taxable personal property includes machinery, equipment, furniture, etc., used previously or presently in a business (including any property not currently being used, placed in storage, or held for sale). Examples of taxable personal property:

- Amusement devices/equipment.
- Noninventory supplies.
- Barber and beauty furniture/equipment.
- Garage and service station tools/equipment.
- Leased equipment.
- Medical equipment.
- Movable machinery, tools, and equipment (such as logging and construction equipment, lift trucks, and equipment used in service industries).
- Office furniture/equipment.
- Store furniture/equipment.
- Libraries such as repair manuals, electronic media, compact discs, videos, tapes, sample books, law books.
- Fixed load/mobile equipment.
- Floating property.

## Tax-exempt personal property

These items are exempt from property tax:

- **Intangible personal property.** Money at interest, bonds, notes, shares of stock, business records, computer software, surveys and designs, and the materials on which the data are recorded (paper, tape, film, etc.) (ORS 307.020).
- **All items held exclusively for personal use.** Household goods, furniture, clothing, tools, and equipment used exclusively for personal use in and around your home (ORS 307.190).
- **Farm animals.** Livestock, poultry, fur-bearing animals, and bees (ORS 307.394).
- **Inventories.** Items of tangible personal property which are or will be sold in the ordinary course of business (materials, containers, goods in process, and finished goods) (ORS 307.400).
- **Farm machinery and equipment** (ORS 307.394).

- **Licensed vehicles other than fixed load/mobile equipment** (ORS 801.285).

## Filing your personal property tax return

Each individual, partnership, firm, or corporation that has taxable personal property must file a return by March 1.

Major industrial properties appraised by the Department of Revenue will report on an industrial property return furnished by the department.

For all other accounts appraised by the county assessor, a return form may be mailed to you by the county assessor prior to January 1 if you were assessed the previous year. You must report property you own or had in your possession as of January 1 at 1 a.m. If you do not receive a form from the assessor, you are still obligated to obtain and file a personal property tax return. There is a penalty for late filing. If you need help completing the form, contact your county assessor's office.

If you sell your business, notify the county assessor to avoid future liability on the personal property.

## Extension of filing deadline

In certain cases, you may request an extension. You must submit your extension request in writing before March 1. Contact your county assessor for further information.

## Penalty for late filing

If you report taxable real property on an industrial property return to the county assessor and your return is filed late, a penalty of \$1 for each \$1,000 of assessed value will be charged, but such penalty shall not be less than \$10 or more than \$250.

If you report taxable personal property along with real property on an industrial property return to the Oregon Department of Revenue and your return is filed late, a penalty for late filing will be \$10 for each \$1,000 (or fraction) of total assessed value. This penalty shall not be less than \$10 and not more than \$5,000 (ORS 308.295).

If you report taxable personal property on a Confidential Personal Property Return, the penalty charge increases periodically. If your return is filed after March 1 but on or before June 1, a penalty of 5 per-

cent of the tax will be charged. If the return is filed after June 1 but on or before August 1, the penalty increases to 25 percent of the tax. After August 1, the penalty increases to 50 percent of the tax.

**Paying your tax**

Property tax statements are mailed to taxpayers in late October. You must pay at least one-third of your tax bill by November 15 to avoid interest charges. You receive a 3 percent discount if you pay the full amount due by November 15. If you pay two-thirds of the full amount by November 15, you receive a 2 percent discount. If you choose to pay in thirds, the second payment is due by February 15 and the third by May 15.

Personal property taxes become a lien on July 1 against any and all of the assessed property as well as on personal property assessed in the same category. The taxes may become a lien against all personal property owned or in the possession of the person in whose name the property is assessed. The taxes are a debt due and owing from the owner of the personal property.

**Delinquent taxes**

Taxes on personal property become delinquent whenever any installment is not paid on or before the due date. The tax collector will send a notice of delinquency showing the total amount due, including interest when any tax payment is not made.

If no payment is received, the tax collector may: (1) issue a warrant for the collection of the delinquent personal property taxes and serve it on you, (2) seize and sell the assessed personal property or taxable personal property you own or control, or (3) charge the tax against real property you own.

**1. Warrants** - When the taxes become delinquent and no payment is made in response to the delinquency notice, the tax collector must prepare, serve, and record a warrant. A copy is served on you either by certified mail, publication in a newspaper, or personal service. Immediately after the warrant is served, if the delinquent taxes, interest, penalties, and costs are not paid, the warrant is recorded with the county clerk. This has the effect of a judgment against you. The tax collector can garnishee your bank account or wages to satisfy that judgment.

**2. Seizure and sale** - The tax collector can seize and sell the assessed property owned or controlled by the person assessed. When the tax collector takes possession of the property, the owner or person having the property, and all security lien holders, are notified. The seized property is advertised for sale and the notice of time and place of the sale is posted in three public places in the county at least 10 days before the sale. If

you do not pay before the time set for the sale, the tax collector will sell the property at public auction.

The property will be sold to the highest bidder, as long as the bid is at least equal to the total of taxes, interest, penalties, and costs. If the highest bid is less than that, the title to the property passes to the county. Then the county may sell the items at a private sale for a price the county sets as reasonable. If more than one item has been seized, only enough items will be sold to recover the taxes, interest, and penalties.

The money received from the sale is applied to your debt. Any unpaid tax remains a debt. You get any surplus over the amount of taxes, interest, and penalties.

**3. Lien on real property** - Recording a warrant causes a lien upon your real property. The tax collector may charge the delinquent personal property tax against a specific property you own. After three years' delinquency, the county can foreclose for delinquent taxes on real property.

**Appeals**

If you feel the county assessor has estimated the value of your property incorrectly, you have the right to appeal. But your appeal must be based on the property's value, not on the amount of taxes owed. To receive a change in your assessment, you must convince your county board of property tax appeals that your property is incorrectly valued. You must support your belief with evidence such as appraisal reports and comparable sales. You also have the right to appeal if you believe you were charged a late filing penalty in error.

For more information on property value appeals, write for the publication, How to Appeal Your Property Value, 150-303-668. Download it from our Web site at [www.oregon.gov/DOR](http://www.oregon.gov/DOR). Or, write to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.

**Taxpayer assistance**

**General tax information** ..... [www.oregon.gov/DOR](http://www.oregon.gov/DOR)  
Salem ..... 503-378-4988  
Toll-free from an Oregon prefix ..... 1-800-356-4222

**Asistencia en español:**  
Salem ..... 503-945-8618  
Gratis de prefijo de Oregon..... 1-800-356-4222

**TTY (hearing or speech impaired; machine only):**  
Salem ..... 503-945-8617  
Toll-free from an Oregon prefix..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers for information in alternative formats.