

Personal Property Taxes

What is the personal property tax?

The name personal property tax is confusing and misleading, as this tax only affects business property. For example, personal property is exempt from the personal property tax. The reason why it is called personal property tax is because a long time ago Oregon Department of Revenue used to tax everything – down to walking canes and eyeglasses. The times and the items the tax affects has changed, but the name remains the same.

To make things more complicated, the 2008 personal property tax is called the 2009 personal property tax. This is because the tax valuation time and date is January 1st at 1 a.m. If this was one hour and one minute earlier, December 31st at 11:59 p.m., it would reduce the confusion.

To review, the 2009 Personal Property Tax is really the 2008 Business Property Tax. It is different from your business tax return, individual tax return, and local (Multnomah and City of Portland) tax returns.

What business items are taxed?

The personal property tax (business property tax) includes most business property except real estate, leasehold improvements, automobiles, and intangible property. Leasehold improvements include anything nailed, screwed, or installed to an existing structure. Intangible property is stuff you can't hold in your hand, which includes software, goodwill, and loan fees. For a list of items included and not included, please follow this link and go to page four: <http://www.oregon.gov/DOR/PTD/docs/553-004-09.pdf>.

How are business items taxed?

When the return is filled out, you will end up listing each piece of business property, the date it was purchased, and the cost. You have the option of also filling out what you estimate is the current value of the item. Multnomah County has their internal set of lists they use for determining the business property's worth. Generally, the older the property, the less it is worth.

How much is the tax?

The magic number for 2008 is \$14,500. If your total business property assets are less than \$14,500, then you will not owe any tax, but you still must file a return! If business property is over \$14,500, then the amount of the tax is determined by what the assessor's office thinks your business property is worth.

To see the guide Oregon Department of Revenue uses, please follow this link:

<http://www.oregon.gov/DOR/PTD/docs/303-441-08.pdf>.

When is the return due?

The return is due March 2nd unless you request and are granted an extension. All late returns receive a late penalty on the tax owed, which ranges from 5% to 50%, depending on how late the return is filed.

Does Epstein Group prepare these returns?

Most clients will prepare their own return, but we are happy to assist in the preparation of these returns.

For more information, please visit the Oregon Department of Revenue's site:

<http://www.oregon.gov/DOR/PTD/ValFact.shtml>.