

DURHAM COUNTY BUSINESS LISTING INSTRUCTIONS – Listings due by January 31, 2024.

Commonly Asked Questions

Who must file a listing, and what do I list?

Any individual(s) or business(es) owning or possessing personal property used or connected with a business or other income producing purpose on January 1. Temporary absence of personal property from the place at which it is normally taxable shall not affect this rule. For example, a lawn tractor used for personal use, to mow the lawn at your home is not listed. However, a lawn tractor used as part of a landscaping business in this county must be listed if the lawn tractor is normally in this county, even if it happens to be in another state or county on January 1.

NCGS 105-308 reads that ... "any person whose duty it is to list any property who willfully fails or refuses to list the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. The failure to list shall be prima facie evidence that the failure was willful."

A class 2 misdemeanor is punishable by imprisonment of up to 60 days.

When and where to list?

Listings are due on or before January 31, 2024. They must be filed with the County Tax Department. DO NOT FILE THIS FORM WITH THE NORTH CAROLINA DEPARTMENT OF REVENUE. This form will not be accepted by the NC Department of Revenue.

A list of county tax office addresses can be found at the NC Department of Revenue's Website: <http://www.dor.state.nc.us/publications/property.html>.

As required by state law, late listings will receive a penalty. An extension of time to list may be obtained by sending a written request showing "good cause" to the County Assessor by January 31, 2024. You may also request an extension by going to our website at www.dconc.gov/tax and selecting Online Business Listing System.

How do I list? – Four important rules:

(1) Read INSTRUCTIONS for each schedule or group. Contact your county tax office if you need additional clarification.

(2) If a Schedule or Group does not apply to you, indicate so on the listing form, DO NOT LEAVE A SECTION BLANK. DO NOT WRITE "SAME AS LAST YEAR." A listing form may be rejected for these reasons and could result in late listing penalties.

(3) Listings must be filed based on the tax district where the property is physically located. If you have received multiple listing forms, each form must be completed separately.

(4) If you use any listing form other than the preprinted listing form, you must include your abstract number on the form and attach the preprinted listing form to ensure proper processing. New accounts should be indicated on the listing form.

INFORMATION SECTION

Complete all sections at the top of the form, whether or not they are specifically addressed in these INSTRUCTIONS. Attach additional sheets if necessary.

(1) Trade Name/DBA-Trade Name/DBA is missing or incorrect, add or correct the information.

(2) Physical Address of Business-This is the physical location of the business as of January 1. The actual physical location may be different from the mailing address. PO Boxes are not acceptable.

(3) Principal Business in This County. What does the listed business do? For example: Manufacture electrical appliances, Laundromat, Restaurant, Beauty Salon, etc. The NAICS code may help describe this information. NAICS codes may be located at <https://www.census.gov/eos/www/naics/>.

(4) Contact person for audit: in case the county tax office needs additional information, or to verify the information listed, list the person to be contacted here.

(5) Other NC Counties where personal property is located. If your business has property normally located in other counties, list those counties here.

(6) Out of Business: If the business we have sent this form to has closed, complete this section, and attach any additional information regarding the sale of the property.

SCHEDULE A: PERSONAL PROPERTY

The year acquired column: The rows which begin with "2023" are the rows in which you report property acquired during the calendar year 2023. Other years follow the same format.

Schedule A is divided into seven (7) groups. Each is addressed below. Some records may have the column "Prior Years Cost" pre-printed. This column should contain the cost information from last year's listing. If it does not, please complete this column, referring back to your last year's listing. List under "Current Year's Cost" the 100% cost of all depreciable personal property in your possession on January 1. Include all fully depreciated assets as well. Round amounts to the nearest dollar. Use the "Additions" and "Deletions" column to explain changes from "Prior Year Cost" to "Current Year Cost." The "Prior Year's Cost" plus "Additions" minus "Deletions" should equal "Current Years Cost." If there are any additions and/or deletions, please note those under Schedule G, Acquisitions and Disposals Detail. If the deletion is a transferred or paid out lease, please note this, and to whom the property was transferred.

NOTE: If you purchased an existing business and its assets, do not complete this listing form without first contacting the county tax office for further instructions.

COST: Note that the cost information you provide must include all costs associated with the acquisition as well as the costs associated with bringing that property into operation. These costs may include, but are not limited to invoice cost, trade-in allowances, freight, installation costs, sales tax, and construction period interest. The cost figures reported should be historical cost that is the original cost of an item when first purchased, even if it was first purchased by someone other than the current owner. For example, you, the current owner may have purchased equipment in 2019 for \$100, but the individual you purchased the equipment from acquired the equipment in 2014 for \$1000. You, the current owner should report the property acquired in 2014 for \$1000. Property should be reported at its actual historical installed cost at the retail level of trade. For example, a manufacturer of computers can make a certain model for \$1000 total cost. It is typically available to any retail customer for \$2000. If the manufacturer uses the model for business purposes, he should report the computer at its cost at the retail level of trade, which is \$2000, not the \$1000 it actually cost the manufacturer. Leasing companies must list property they lease at the retail trade level, even if their actual cost is at the manufacturer or wholesale level of trade.

NOTE: All cellular communication equipment, including towers and improvements at the tower site will be listed with the North Carolina Department of Revenue. Do not list cellular communication equipment with Durham County.

Group (1) Machinery & Equipment

This is the group used for reporting the cost of all machinery and equipment. This includes all machinery and equipment. This includes all warehouse and packaging equipment, as well as manufacturing equipment, production lines, hi-tech or low-tech. List the total cost by year of acquisition, including fully depreciated assets that are still connected with the business. For example, a manufacturer of textiles purchased a knitting machine in October 2021 for \$10,000. The sales tax was \$200, shipping charges were \$200, and installation costs were \$200. The total cost that the manufacturer should report is \$10,600, if there were no other costs incurred. The \$10,600 should be added in group (1) to the 2020 current year's cost column. **Heavy equipment held for short term rental i.e. earthmoving, construction, or industrial equipment that is mobile, weighs at least 1,500 pounds, is a self-propelled vehicle that is not designed to be driven on a highway, is industrial lift equipment, industrial material handling equipment, industrial electrical generation equipment, or a similar piece of industrial equipment is exempt from property tax.**

Group (2) Construction in Progress (CIP)

CIP is business personal property which is under construction on January 1 and not otherwise exempted. The accountant will typically not capitalize the assets under construction until all of the costs associated with the asset are known. In the interim period, the accountant will typically maintain the costs of the asset in CIP account. The total of this account represents investment in tangible property, and is to be listed under the other capital assets of the business during the listing period. List in detail. If you have no CIP, write "none."

Group (3) Office Furniture & Fixtures

This group is for reporting the costs of all furniture & fixtures and small office machines used in the business operation. This includes, but is not limited to, file cabinets, desks, chairs, adding machines, curtains, blinds, ceiling fans, window air conditioners, telephones, intercom systems, and burglar alarm systems.

Group (4) Computer Equipment

This group is for reporting the costs of non-production computers & peripherals. This includes, but is not limited to, personal computers, midrange, or mainframes, as well as the monitors, printers, scanners, magnetic storage devices, cables & other peripherals associated with those computers. This category also includes software that is capitalized and purchased from an unrelated business entity. **Note: The development cost of software or any modification cost to software, whether done internally by the taxpayer or externally by a third party to meet customer's specific needs is excluded and should not be reported.** This does not include high tech equipment such as proprietary computerized point of sale equipment or high tech medical equipment, or computer controlled equipment, or the high-tech computer components that control the equipment. This type of equipment would be included in Group (1).

Group (5) Leasehold Improvements

This group includes real estate improvements to leased property contracted for, installed, and paid for by the lessee which may remain with the real estate, thereby becoming an integral part of the leased fee real estate upon expiration or termination of the current lease, but which are the property of the current lessee who installed it. (Examples are shampoo basins installed by lessee in a beauty shop, special lighting, or dropped ceiling). If you have no leasehold improvements write "none." If you question whether leasehold improvements have already been appraised in real property, contact Durham County.

Group (6) Expensed Items

This group is for reporting any assets which would typically be capitalized, but due to the business' capitalization threshold, they have been expensed. (If you are able to provide the county tax office with a detailed list of costs and a depreciation of the assets in the Expensed items category, please do so.) Section 179 expensed items should be included in the appropriate group (1) through (4). Fill in the blank which asks for your business' "Capitalization Threshold." If you have no expensed items, write "none."

Group (7) Supplies

Almost all businesses have supplies. These include normal business operating supplies. List the cost on hand as of January 1. Remember, the temporary absence of property on January 1 does not mean it should not be listed if that property is normally present. Supplies that are immediately consumed in the manufacturing process or that become a part of the property being sold, such as packaging materials, or raw materials for a manufacturer, do not have to be listed. Even though inventory is exempt, supplies are not. If a business carries supplies in an inventory account, they are taxable.

SCHEDULE B: VEHICULAR EQUIPMENT – ATTACH ADDITIONAL SCHEDULES IF NECESSARY

Motor Vehicles registered with the NC Division of Motor Vehicles as of January 1 do not have to be listed, with the exception of Multi-Year or Permanently Registered Trailers, Special Bodies on Vehicles, and International Registration Plan (IRP) Plated Vehicles. Please answer the questions on the form to determine if you should complete and attach separate schedules B-1 for certain other vehicles, B-2 for Watercraft or Watercraft engines, B-3 for Mobile Homes or Mobile Offices, or B-4 for Aircraft.

SCHEDULE C: PROPERTY IN YOUR POSSESSION, BUT OWNED BY OTHERS

If on January 1, you have in your possession any business machines, machinery, furniture, vending equipment, game machines, postage meters, or **any other equipment** which is loaned, leased, or otherwise held and not owned by you, a complete description and ownership of the property should be reported in this section. This information is for office use only. Assessments will be made to the owner/lessor. If you have already filed the January 15th report required by NC General Statute 105-315, so indicate. If you have none, write "none" in this section. If property is held by a lessee under a "capital lease", where there is a conditional sales contract, or if title to the property will transfer at the end of the lease due to a nominal "purchase upon termination" fee, then the lessee is responsible for listing under the appropriate group.

SCHEDULES D, E, F, G, H, I and J, please answer the questions provided on the form to determine if you need to complete and attach separate Schedules E-1, G-1, H-1, I-1, or J-1 to the main business personal property listing form.

AFFIRMATION

If the form is not signed by an authorized person, it will be rejected and could be subject to penalties. This section describes who may sign the listing form. Listings submitted by mail shall be deemed to be filed as of the date shown on the postmark affixed by the U.S. Postal Service. Any other indication of the date mailed (such as your own postage meter) is not considered and the listing shall be deemed to be filed when received in the office of the Tax Assessor. Any person who willfully attempts or who willfully aids or abets any person to attempt, in any manner to evade or defeat the taxes imposed under this Subchapter (of the Revenue Laws), whether by removal or concealment of property or otherwise, shall be guilty of a Class 2 misdemeanor.