

This pamphlet answers some frequently asked questions about Tangible Personal Property and provides information that may be of help in filing an accurate and timely tax return.

Helpful Hints and Suggestions

- File a DR-405 return by April 1. You must file in order to qualify for the \$25,000 Exemption.
- The preparation of your return is only as good as the information you provide to your accountant or report on your form.
- Questions 1-9a must be answered completely on return or it may be classified as incomplete.
- Identify any equipment that may have been "Physically Removed" during the year. List those items in the appropriate space on the back of the return.
- It is to your advantage to detail the reporting of your assets so that the proper depreciation of each type of asset may be applied. You may attach to the DR-405 tax return an asset listing or a depreciation schedule and mark the tax return "see attached."
- Do not use vague terms such as "various/no change/same as last year."
- Please include your estimate of the fair market value, condition, and the original cost of the asset. These are important considerations in determining a fair and accurate assessment.
- Additional information regarding filing is provided in the instructional section (DR-405 I) of the return itself.
- If you sell your business, go out of business, or move to a new location, please inform this office as soon as possible. This will help enable the Property Appraiser's Office to keep timely, accurate records.
- In mid-August you will receive your Truth in Millage (TRIM notice). Please review this thoroughly and call the Tangible Department if you have any discrepancies or questions. If your value is less than \$25,000, you will only receive a TRIM in the initial year of exemption.

NEW \$25,000 EXEMPTION (Amendment 1)

Effective 2008, all Tangible Personal Property accounts such as businesses, rentals, and mobile homes became eligible to receive a \$25,000 exemption. A DR-405, Personal Property tax return, must be filed in the initial year of application to be eligible for this exemption. Exception: Mobile home appurtenances will automatically receive the \$25,000 exemption.

IMPORTANT: If your assessed value is under \$25,000, you do not need to file again, once the initial filing has been done, unless you acquire new personal property that would raise the assessed value above \$25,000.

IMPORTANT: If your assessed value is more than \$25,000, you must file a TPP return each year to qualify for the exemption.

Q. What is Tangible Personal Property?

- A. Simply put, *Tangible Personal Property* refers to ALL assets used in a business or rental activity that are subject to an ad Valorem assessment. More specifically, it is furniture, fixtures, tools, machinery, household appliances, equipment, signs, computers, leased equipment, leasehold improvements, and supplies - whatever is used to generate income for the business or rental.

Q. Why must I file a return?

- A. Florida Statute **193.052** requires that all tangible personal property be reported each year to the Property Appraiser's Office.

Q. If my business or rental value is under \$25,000, do I have to file?

- A. Yes, in order to receive the exemption, you must file a return the first year you are eligible. After your initial filing, you will not be required to file again until you acquire additional assets that bring your total value to \$25,000.

Q. What if I have no assets to report?

- A. All businesses and rental units have some assets to report, even if it is only a phone, supplies, leased equipment, or household items.

Q. What if my assets have been fully depreciated, written off the books, personally owned, old, or purchased second hand?

- A. Whether fully depreciated or expensed in your accounting records, all property still on site and in use must be reported on your return and includes all of the above.

Q. How can I obtain this form?

- A. The Property Appraiser mails out this form every year to existing accounts. If you are filing for your rental unit, you may file electronically. On-line filing and all forms are available at our web-site www.leepa.org.

Q. Is there a deadline and penalties?

- A. Deadline for filing a timely return is April 1 of each taxing year. Florida Statute **193.072** provides the guidelines for the penalties that may be applied: **5%** for each month the return is filed late up to a maximum **25%** penalty. There is a **15%** penalty for unreported property. If no return is filed, a **25%** penalty will be assessed and the \$25,000 exemption is not applicable.

Q. If I am no longer in business or no longer renting my unit, should I still file a return?

- A. **Business closed or no longer renting:** You can call the Tangible Department and have a disposition letter sent to you or you can download one on our web-site and mail it to this office.
- A. **Sold business or rental:** If you sold your business you must fill out a disposition letter and send a copy of your sales agreement or contract to this office. If you sold your rental unit you must fill out a disposition letter and provide the name and address of the new owners.

Q. Do I have to report assets that I lease, loan, rent, borrow, or are provided in the rental agreement?

A. Yes, on the back of the DR-405 second section you report name and address of owner or lessor, description, year acquired, rent, and retail installed cost.

Q. Is my manufactured home considered Real Property or Tangible Personal Property?

A. If you own both the land and the manufactured home it is considered **Real Property**. If you **do not** own the land, but **do** own the manufactured home and added improvements such as a carport, screen porch, or air conditioner, it is **Tangible Personal Property**. Under Amendment 1, Lee County is exempting your improvements if their value is under \$25,000. However, you must buy an annual mobile home registration sticker for the manufactured home from the Tax Collector's Office.

Q. What is an Office Assessment?

A. Florida Statute **193.073(2)** authorizes the Property Appraiser to assess any business that does not file with an average cost of similar businesses. These averages are based on businesses in the same NAICS (North American Industry Classification System) here in Lee County. However, being office assessed does not alleviate your responsibility to file an accurate return. To insure the proper reporting and valuation of your assets, and thus an accurate tax bill, you must file a return annually.

Q. What if I receive more than one return?

A. If you have more than one location you have to file a separate return for each location. If you only have one business location and receive more than one, contact this office.

Q. If I rent my furnished home or condo for a few months, do I have to file a Tangible Personal Property tax return?

A. Yes, since rental activity is of an income producing nature, you must file a return. If the total value of your furnishings is under the \$25,000, you will only have to file once. You may file rental returns electronically on our web-site, or file a DR-405.

Q. What if I don't agree with the assessed value that appears on the Notice of Proposed Property Taxes that I receive in mid-August?

A. First, we would like you to contact or visit our office to discuss your assessment. You can submit any documents or pertinent facts for our review. If you believe your concern is unresolved, you may file a Value Adjustment Board petition with the Minutes Department of the Clerk of Courts for a \$15.00 filing fee. These forms are available at the Property Appraiser's Office, Clerk of Courts, or on our web-site www.leepa.org.

***Nov.** Tax bills sent out by Tax Collector's Office.
(*exact date varies on a year-to-year basis)

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Important dates to remember:

Jan. 1 Date of assessment (lien date).

Jan. 1 Tangible tax returns (DR-405) mailed.

Jan. 1 to Mar. 1 Widow, widower, and disability exemption applications are taken for tangible mobile or manufactured, home improvements. (you **must** reside on the property as of January 1 of the taxing year to qualify.)

April 1 Filing deadline for tangible tax return with no penalty applied. Deadline for requesting an extension for filing tangible tax returns.

May 15 Filing deadline for tangible tax returns with extensions.

***Aug.** Proposed tax (**TRIM**) notices mailed.

***Sept.** Value Adjustment Board (**VAB**) petition filing deadline.

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Tangible Personal Property Informational Pamphlet

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www.leepa.org

Please visit our [website](http://www.leepa.org) for the following:

- Forms
- Instructions
- Account Numbers
- Electronic Filing Information (rentals)