

Personal Property Valuation

The Colorado Personal Property Tax is a levy on personal property used in a business or organization. The procedure for applying this tax is similar to that used for real property. The County Assessor places value on the property and consolidates the levies. The County Treasurer then mails a tax bill to the property owner.

Definition

Personal property is everything which is not considered real property, and is typically portable or moveable items. Personal property includes furniture, equipment, machinery, security devices, household furnishings, signs and personal effects used by commercial, industrial and natural resource operations that are not otherwise exempt by law.

Taxable Property

Personal property is taxable if it is used for the production of income (used in a business, organization, or rental property), at any time during the year, unless specifically exempt from taxation. Personal property less than \$52,000 in total actual value (market value) is exempt from taxation.

NOTE: *Market value as determined by an appraisal, using state guidelines and procedures.*

Business

All personal property used in the business, organization, or rental property at any time during the year must be reported to the County Assessor for the personal property assessment. The following is a partial list of typical items which must be reported:

- Furniture and décor items, equipment, security devices, appliances, machinery and tools, computer equipment (computer software is exempt from personal property tax), telephone equipment, etc.
- Leasehold improvements (i.e. rental properties)
 - All Residential Household Furnishings Producing Income (such as appliances, furniture, etc.)
- Storage
 - Any type of personal property in storage that is subject to IRS depreciation.
- Signs
 - Any type of signage that represents the business, organization or property.

Consumable Personal Property

In 2000, C.R.S. 39-3-119 was amended to exempt *Consumable Personal Property*. To be classified as *consumable* personal property, an item of personal property must fall under one of two criteria identified below:

1. The item must have an economic life of one (1) year or less.
 - Applies to any item of personal property regardless of original acquisition cost
 - Also includes non-functional personal property items that are used as a source of parts for the repair of operational machinery and equipment.
2. The item has an economic life exceeding one (1) year, and has an acquisition cost (inclusive of installation cost, sales tax, and freight expense) of \$350 or less.
 - If an item is acquired or is provided to the business owner at nominal or no cost, the \$350 per item ceiling shall apply to the fair market value of the item, at the time of acquisition.
 - The \$350 per item ceiling applies to each personal property item as completely assembled for use in the business.

Assessment Date

Colorado law states that January 1st is the assessment date. The owner of the property as of January 1st is considered the owner for that entire assessment year. If property changes ownership during the year, it is up to the buyer and seller to prorate the taxes. Neither the Assessor nor the Treasurer is involved or responsible for this. It is also the responsibility of the taxpayer to notify the Assessor and the Treasurer when a business changes ownership. If a business closes after January 1st assessment date, the taxpayer is also responsible for the entire year and for Notifying the Assessor and Treasurer of the closure.

Valuation Process

The County Assessor's duty is to value personal property for property tax purposes. The property owner files a Declaration Schedule with the Assessor, listing information regarding the personal property which enables the Assessor to determine the actual value of the property. Actual Value or (Market Value) is determined from the State of Colorado's valuation guidelines and procedures. Federal depreciation or accounting methods are not allowable methods of valuation.

Assessed Value

The actual value of the personal property is multiplied by the assessment rate of 29% to arrive at an assessed value. The assessed value is then multiplied by the applicable mill levy to calculate the taxes for the property.

Assessed Value:

$$\$52,000 \times 29\% = \$14,500$$

Tax Bill:

$$\$14,500 \text{ (Assessed Value)} \times .08342 \text{ (Mill Levy)} = \$1,209.59 \text{ (Tax Bill)}$$

NOTE: In this example, \$52,000 worth of personal property in a tax district with a mill levy of 83.420 would result in a tax bill of \$1,209.59.

Proration of Value

Proration is not generally allowed. Personal property owned on the assessment date of January 1 is taxable for that entire year, even if the tax statutes of the property changes or the property is destroyed, transferred or removed from the state during the year.

Notification of Value

Assessor's Responsibility

After assessment, the taxpayer will receive a Notice of Valuation (NOV) from the County Assessor's Office. *This is not a tax bill.* The purpose of the NOV is notification to the taxpayer of any change in property valuation, and advisement of the right to appeal the new value.

Personal Property Notices of Value are mailed June 15th. If the 15th falls on a weekend, then the following Monday is the due date for the Assessor to mail the notices of value.

Taxpayer's Responsibility

Study the NOV carefully. The notice describes the property owned, gives the actual value for both the prior and current year, notifies the amount of change, and provides an opportunity to present objections to the Assessor.

NOTE: The changed value on the notice affects the amount of taxes payable the following January. If the NOV reflects a disputable value or if questions arise regarding the valuation, contact the County Assessor.

Taxpayer Remedies

Disagreement with the Change in Value

An objection must be filed with the Cheyenne County Assessor. For personal property owners, a mailed objection must be postmarked by June 30th. The Assessor will then render a decision in writing by July 10th.

Dissatisfied with the County Assessor's Decision

Appeals are due to the County Board of Equalization (CBOE) by June 20th, and the hearings are conducted through August 5th. Within five business days following the hearing, the CBOE will give notification in writing to the taxpayer regarding their decision.

Dissatisfied with the CBOE Decision

Appeals may be taken further to the Board of Assessment Appeals (BAA), the County Commissioners for binding arbitration, or the Cheyenne County District Court. Appeals must be made within 30 days of the CBOE's decision.

Dissatisfied with the Decision of the BAA or District Court

Appeals may be made to the Court of Appeals within 30 days of the BAA decision or 45 days of the District Court decision.

NOTE: Decisions reached through the arbitration procedure are final and not subject to review.

Assessor's Field Inspection of Personal Property

To ensure that all taxpayers receive just and equalized appraisals for their property, Colorado law requires the County Assessor physically inspect personal property in the county on a regular basis. Property owners will be contacted by the Assessor's Office when their personal property account has been selected for an on-site review.

Declaration Schedules

Owners of personal property must declare the taxable property they own to the County Assessor. All Personal Property Declaration Schedules and enclosed forms returned to the Assessor are considered confidential documents by law.

Timeline

The Assessor mails Declaration Schedules as soon after January 1st as possible, and taxpayers must return the schedules to the Assessor's Office by April 15. *It is the responsibility of the business owner to obtain and file a declaration schedule, if one is not received in the mail.* Non-receipt of a declaration schedule DOES NOT excuse taxpayers from declaring taxable personal property to the assessor. If you have not received a declaration schedule and own personal property with a value greater than \$52,000, please contact the assessor's office.

Value Specifications

If the total actual value (market value) of the personal property located in Cheyenne County is \$52,000 or less, the property owner is not required to file a declaration schedule with the County Assessor. If the total actual value of the personal property exceeds \$52,000, all property including the initial \$52,000 is taxable. In the event additional assets are put into use, increasing the total actual value of the personal property to an amount greater than \$52,000, the owner must file an additional declaration schedule reflecting those changes.

NOTE: New businesses, first-time filers, and taxpayers unsure as to the actual value of their personal property are urged to contact the County Assessor.

Deadline Extension

Completed declaration schedules are due by April 15. You may extend the deadline if, prior to April 15, the assessor receives your written request for an extension along with \$20 for a 10-day extension, or \$40 for a 20-day extension.

Failure to File

Any owner of personal property who fails to file a Declaration Schedule by April 15 or by the end of the extension time requested will be fined \$50 or 15% of the taxes due, whichever is the lesser amount. If a Declaration Schedule is never received, the Assessor will establish a taxable value based on the "best information available" and may add a penalty of up to 25% of assessed value for any omitted property that is subsequently discovered.

Failure to Fully and Completely Disclose

Any taxpayer who owns more than \$52,000 in total actual value of personal property per county and fails to make full and complete disclosure of such property, or if the taxpayer submits information on the declaration schedule that is false, erroneous, or misleading or fails to include all personal property owned by the taxpayer as described in § 39-5-116(2), C.R.S. will result in an additional penalty of 25% of the undisclosed property.

Downloadable Forms

Click on the following link:

<https://cdola.colorado.gov/forms/property-taxation-declaration-schedules>

Form Submission

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