

Business Personal Department

Questions and Answers about Business Personal

Who is required to file a Business Statement of Assets (form 901)?

All businesses, corporations, partnerships and professionals are required to file a 901 form as of January 1 each year.

Why do I have to file?

Title 68, Section 2832, Oklahoma Statutes, requires that all personal property must be reported each year to the County Assessor's office. If you receive a return by mail, it is because our office has determined that you may have property to report. If you feel the form is not applicable, return it with an explanation. Either way, the form MUST be returned. Failure to receive a Personal Property Tax Return (Form 901) does not relieve you of your obligation to file.

What are the due dates for filing the Business Statement of Assets (form 901)?

By Oklahoma statute, the Statement of Assets (Form 901) must be filed from **January 1 to March 15** each year. After March 15, the return is delinquent and a penalty of 10% of the assessed valuation is added. After April 15, a penalty of 20% of assessed valuation is added.

Can our company file for an extension?

No. There is no provision in the statutes for an extension.

How does a taxpayer file a Business Statement of Assets (form 901)?

The taxpayer completes Form 901 listing the original cost of the assets of the business concern. Assets include furniture and fixtures, machinery and equipment, computer equipment, leasehold improvements and a schedule of monthly inventories for the past year. The 901 form must be prepared by an owner, partner, officer of the corporation or a bona fide agent. The form must be returned to our office by March 15.

What if a Business Statement of Assets is not filed?

If a Rogers County business does not file, the County Assessor is required to prepare an assessment from the best information available in the absence of a return by the taxpayer. This is called an arbitrary assessment. An arbitrary assessment must be protested within ten days of the date of the notice.

How can I obtain this form?

At the beginning of the year, a return is mailed to the taxpayers we have on record. If you did not receive one, contact the Rogers County Assessor's office.

What if I received two 901 forms, or two assessment notices?

Mail the county assessors office a letter stating the correct name, account number and address for each business location.

I have two or more business locations, may I render one 901 form?

No. All business must be assessed on an individual basis so the school districts are funded properly.

What if I have no assets to report?

If you feel you have nothing to report, attach an explanation about why nothing was reported and file it with the County Assessor's office. Almost all businesses and rental units have some assets to report even if it is only supplies, or rented equipment.

What if the business has sold or closed?

Notify the County Assessor in writing with the business name and date of closure.

Is depreciation allowed on furniture and fixtures, machinery and equipment, computer equipment and leasehold improvements?

Yes. In calculating the assessed value, the county assessor's office allows depreciation. The taxpayer has the option of listing fixed assets in summary or by year of acquisition. Generally, listing by year acquired permits the County Assessor's office to allow more depreciation.

Do I have to report assets that I lease, loan, rent, borrow or are provided as part of the rent?

Yes. There is an area on the back of the return specifically for those assets. Even although the assets are assessed to the owner, they must be listed for informational purposes.

Are licensed vehicles, automobiles, trucks, etc. to be included on this form?

No. This is the most common mistake made in completing the Form 901. Motor vehicles licensed by the state are not included in inventory or as machinery and equipment.

Do I have a chance to correct a mistake or protest the valuation of my business?

Yes. The Assessor's office will send you a notice of assessment showing the value placed on your business. You have 20 days to review the value and contact the Assessor's office to correct any mistake or problem. If the value is still not satisfactory, you may formally protest the valuation to the County Board of Equalization within 20 days of the date of the notice. The Board of Equalization is in session from the fourth Monday in January to May 31.

What if I have old equipment that has been fully depreciated and written off the books?

Whether fully depreciated in your accounting records or not, all property still in use or in your possession should be reported.

What if I buy or sell an existing business during the year? Who is responsible for the taxes?

The owner on January 1 would be responsible for filing the personal property return. However, the County Assessor's office needs to be notified of any changes in ownership.

If I close my business in the middle of the year, can the taxes be prorated?

No. Taxes are due in full for that tax year.

What if I have closed my business, but still own the assets?

You are still required to file a return.

Helpful Hints and Suggestions

- File the original return from this office (with name and account number) as soon as possible before March 15. Be sure to sign and date your return.
 - Work with your accountant or C.P.A. to identify any equipment that may have been "Physically Removed." List those items in the appropriate space on your return.
 - If you have an asset listing or depreciation schedule that identifies each piece of equipment, attach it to the completed return.
 - Do not use vague terms such as "various" or "same as last year."
 - If you sell your business, go out of business, or move to a new location, please inform this office promptly. This will enable us to keep timely, accurate records.
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Business Personal Property Exemptions

Five-year manufacturing exemption for new or expanded facilities

Facilities which qualify engage in mechanical or chemical transformation of materials or substances into new products. Establishments which typically meet these requirements:

- A.** Establishments classified under Division D of the Standard Industrial Classification (SIC) manual.
- B.** Repair and replacement facilities primarily engaged in aircraft repair, building and rebuilding.
- C.** Establishments engaged in computer services and data processing with a larger percentage of annual gross revenues from the sale of their product or service to an out-of-state buyer.
- D.** Establishments primarily engaged in distribution with a capital investment of **(\$500,000)** or more and at least 100 full- time-equivalent employees.
- E.** Any new, acquired or expanded automotive final assembly manufacturing facility which meet certain expansion requirements.

What requirements are necessary to qualify?

- 1.** Manufacturing facilities must invest **(\$250,000)** or more in capital expenditures including land, building, structure improvements, machinery and equipment and other personal property used directly and exclusively in the manufacturing process.

2. The construction, acquisition or expansion results in a net increase of (15) or more full-time-equivalent employees.

3. The taxpayer has the right of review and appeal with the County Board of Equalization.

Freeport Exemption on Business Personal Inventory

Article 10 Section 6A of the Oklahoma Constitution, allows an exemption from Ad Valorem taxes on Inventory that meets the following requirements:

- Inventory which can be exempt includes goods, wares and merchandise that is held for assembly, storage, manufacturing, processing or fabricating purposes.
- In order to be exempt, the Inventory must have a final destination outside the State of Oklahoma, while being in the state for less than nine months. The burden of providing entitlement to the exemption is on the taxpayer.

What type of Inventory does not qualify?

1. Inventory which remains in the state for more than 9 months does not qualify.
2. Inventory sold in the state does not qualify.
3. Inventory which is wholesaled from one company to another within the State of Oklahoma, which is then sold outside the state does not qualify.

How do I file for this exemption?

The Freeport Exemption will only be considered if the Statement of Business Assets (form 901) is accompanied by a Freeport Declaration, obtained from the County Assessors Office. This form is not mailed with form 901, it must be requested. The Assessors office, upon receiving this Freeport Declaration, may require proof of inside and outside the state sales and purchases, as well as a completed vendor list.