



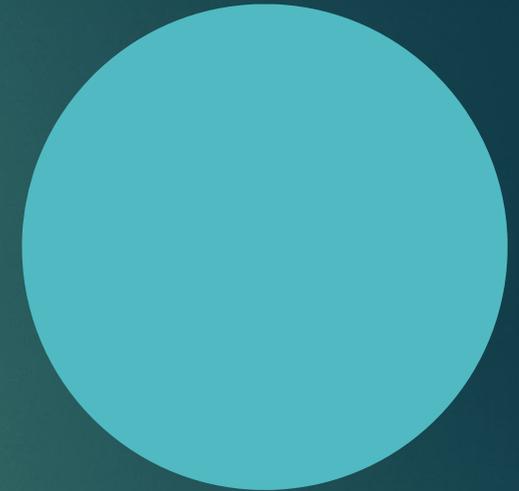
# Personal Property Review, Updates, & Panel Discussion

2021 MISSOURI ASSESSORS' ANNUAL CONFERENCE

AMY S. WESTERMANN, STC CHIEF COUNSEL

# Personal Property Updates & Panel Discussion

- ▶ Introductions
- ▶ Reviewing Personal Property Basics
- ▶ Historical Aircraft
- ▶ Wind Energy Facilities
- ▶ Apportionment/Reciprocity
- ▶ UTVs
- ▶ Military Exemptions
- ▶ NADA
- ▶ Q & A



# Introductions



- ▶ Discussion Moderator: Amy S. Westermann, STC Chief Counsel
- ▶ Panelist: Rosella Schad, Original Assessment Section Manager
- ▶ Panelist: Jeff Schmidt, Local Assistance Section Manager
- ▶ Panelist: Larry Hixson, Local Assistance Section Assistant Manager
- ▶ Panelist: Tammy Mackay, Senior Appraisal & Assessment Representative

# What is “Personal Property?”

- ▶ "Tangible personal property" includes every tangible thing being the subject of ownership or part ownership whether animate or inanimate, other than money, and not forming part or parcel of real property as herein defined, but does not include household goods, furniture, wearing apparel and articles of personal use and adornment, as defined by the state tax commission, owned and used by a person in his home or dwelling place.
- ▶ Section 137.010(6)

# How is Personal Property valued and assessed?

- ▶ 33-1/3% passenger cars & trucks
  - ▶ .5% grain and ag crops
- ▶ 12% farm machinery, livestock, poultry
  - ▶ 5% historic cars & aircraft
  - ▶ 25% tools & equipment
- ▶ 19% manufactured homes = residences

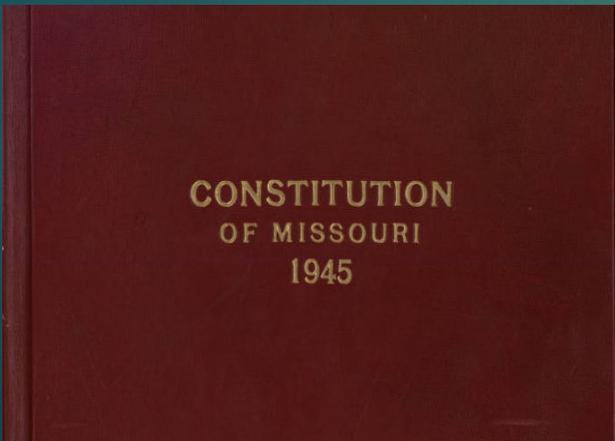


# Omitted Property & Declarations

- Taxpayers have a duty to report personal property between January 1 and March 1.
- Penalty if not returned by May 1.
- An assessor may, upon request of a taxpayer, send any assessment list or notice required by this section to such taxpayer in electronic form.



# Assessment, Taxes, and Exemptions



- held by the state, held by the state, a city, county, or other political subdivision;
- used exclusively for Agricultural and horticultural societies including not-for-profit agribusiness associations;
- actually and regularly used exclusively for religious worship, for schools and colleges or charity;
- household goods, furniture, wearing apparel, and articles of personal use and adornment;
- motor vehicles leased for a period of at least one year to the state, city, county, or political subdivision or to any religious, educational, or charitable organization that has obtained an exemption from the payment of federal income taxes as long as the vehicles are used exclusively for religious, educational, or charitable purposes;
- Veterans' organizations;
- solar energy systems not held for resale (this is not defined)

# Inventory

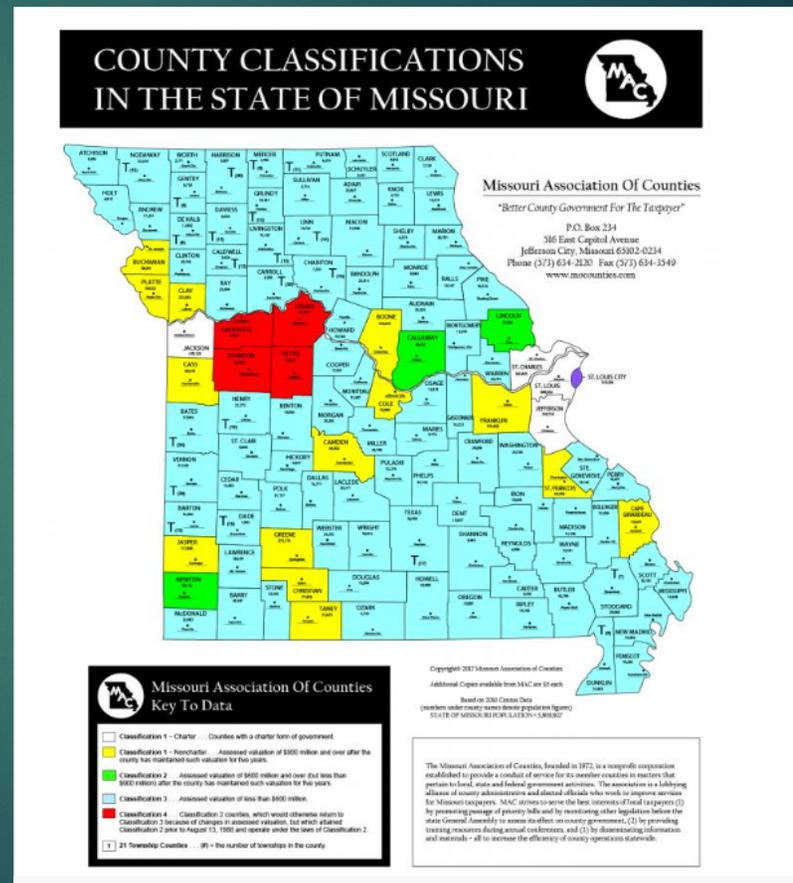
- The owner posts conspicuous signs on the premises indicating that the property is for sale and the purchase price of any particular piece of equipment is available;
- A list of reasonable purchase prices (not above manufacturers' suggested retail price) is available at all times;
- Rental contracts and agreements contain language that the "rental property" may be purchased;
- The rental property must be available for sale.



# Where is personal property assessed and taxed?

The county in which the taxpayer  
 “resides.”  
 Section 137.090

Type of Owner	Location of Property	Tax Situs	Legal Authority
Mo Resident	Missouri	Co. of residence	137.075, 137.090
Mo. Resident	Outside of Missouri	Not Taxable in Missouri	Case law
Not a Mo Resident	Missouri	County where property is located	Case law
Corporation	Missouri	County where it is located	137.095
Military, Mo is not HOR	Missouri	Not taxable in Missouri	50 USC 571
Military, Mo is HOR	In or out of Missouri	In Missouri, county of residence	50 USC 571



# Apportionment/reciprocity: How to assess trucks used in Interstate Commerce

Section 137.090.2. The assessed valuation of any tractor or trailer as defined in section [301.010](#) owned by an individual, partner, or member and used in interstate commerce must be apportioned to Missouri based on the ratio of miles traveled in this state to miles traveled in the United States in interstate commerce during the preceding tax year or on the basis of the most recent annual mileage figures available.



# Wind Energy and Personal Property



- ▶ 1. Beginning January 1, 2022, for purposes of assessing all real property, excluding land, or tangible personal property associated with a project that uses wind energy directly to generate electricity, thirty-seven and one-half percent of the original costs shall be the true value in money of such property. Such value shall begin the year immediately following the year of construction of the property. The original costs shall reflect either:
  - ▶ (1) The actual and documented original property cost to the taxpayer, as shall be provided by the taxpayer to the assessor; or
  - ▶ (2) In the absence of actual and documented original property cost to the taxpayer, the estimated cost of the property by the assessor, using an authoritative cost guide.
- ▶ 2. Nothing in this section shall be construed to prohibit a project from engaging in enhanced enterprise zone agreements under sections [135.950 to 135.973](#) or similar tax abatement agreements with state or local officials or to affect any existing enhanced enterprise zone agreements.

# MACRS

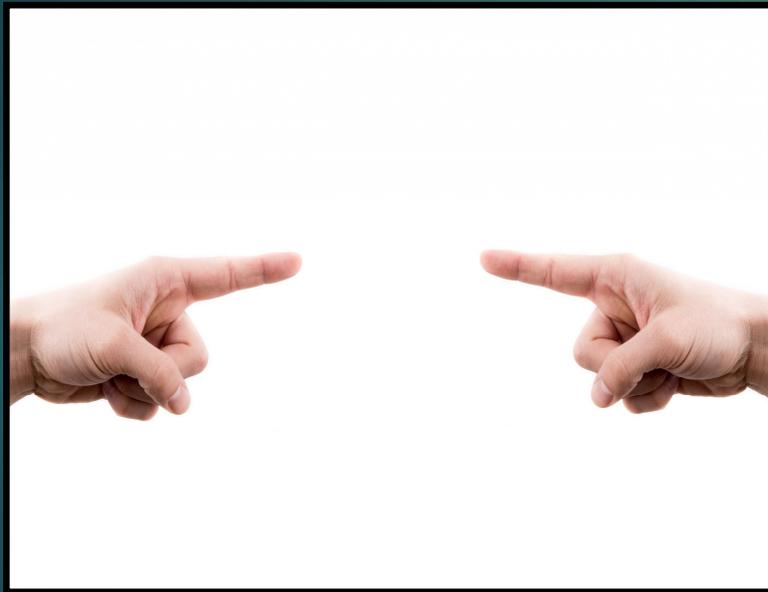
- Section 137.122 applies to Business Personal Property.
- Unless the law instructs otherwise, start with original cost
- Apply the class life and recovery period to the original cost of the property using the depreciation schedule in Section 137.122.
- This does not apply to BPP placed in service before January 2, 2006.

Year	Recovery Period in Years					
	3	5	7	10	15	20
1	75.00	85.00	89.29	92.50	95.00	96.25
2	37.50	59.50	70.16	78.62	85.50	89.03
3	12.50	41.65	55.13	66.83	76.95	82.35
4	5.00	24.99	42.88	56.81	69.25	76.18
5		10.00	30.63	48.07	62.32	70.46
6			18.38	39.33	56.09	65.18
7			10.00	30.59	50.19	60.29
8				21.85	44.29	55.77
9				15.00	38.38	51.31
10					32.48	46.85
11					26.57	42.38
12					20.67	37.92
13					15.00	33.46
14						29.00
15						24.54
16						20.08
17						20.00

Tax liability for personal property is personal debt.



Who is responsible for reporting personal property and paying the tax bill?



# NADA

- ▶ 137.115.9. The assessor of each county and each city not within a county shall use the trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as the recommended guide of information for determining the true value of motor vehicles described in such publication. The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the true value in money of the motor vehicle.

# Q & A

Remember, when you have questions or face a situation that is new to you, don't hesitate to contact your Assessment Representative.

