Business Personal Property

Georgia statutes and regulations require that all aircraft, boats, and tangible business personal property be reported annually. It is the responsibility of the Business Personal Property Division to discover, list and value all Personal Property in DeKalb County for property tax purposes. Business Personal Property used or located in DeKalb County should be reported on a "PT50P Business Personal Property Tax Return", Aircraft utilize a "PT50A form", Marine Equipment utilize a "PT50M" and Freeport Exemption utilize a "PT50PF form". Forms can be found on our website: www.dekalbcountyga.gov/propappr.

Even if an owner fails to file a Business Asset Return, by law, the County must value the assets for its tax digest. Failure to file timely (postmarked by the USPS by midnight April 1) may subject the owner to penalties, loss of depreciation and exemption, where applicable.

If in the prior year the tangible personal property of a taxpayer was exempt pursuant to (O.C.G.A. 48-5-42.1) from all ad valorem taxation due to the actual fair market value not exceeding $7,500 and there are no additions for the current year a return pursuant to O.C.G.A. 48-5-20 is deemed to have occurred and a new filing is not required.

Definition and Rules--Business Personal Property consists of items used in the normal course of business that are movable and are not permanently affixed to the real estate. Intangible assets are not taxed. Examples of intangible assets are: licenses, patents, wills and copyrights. Examples of Business Personal Property are:

. Furniture & Fixtures

. Machinery & Equipment

. Computer Equipment

. Inventory

Everything in property tax hinges on the date of January 1. The ownership, use and condition of the property on January 1 of each year, determine how it is appraised for that tax year. Any changes in ownership or to the property or assets that take place during the calendar year will become effective January 1 of the next calendar year.

Example: John Smith, the owner of Smith Advertising on January 1, 2014, sells the business to Jane Doe on March 1, 2014. John Smith is the owner of record on January 1, 2014, but Jane Doe will become the owner of record on January 1, 2015.

According to Georgia Law, taxes follow the assets. When a business sells, a new owner may become responsible for delinquent taxes from a prior year, if the previous owner(s) is unknown.

Thus a potential buyer should research the history of ownership of the personal property assets, if possible, before finalizing the sale.

Methodology--Georgia law requires that all property be appraised at its fair market value. There are three approaches to value: Cost, Market (Sales Comparison) and Income.

Cost approach to value-- This approach uses the year and cost of acquisition of the assets; the current age; the useful life of the asset class; and the appropriate depreciation method to determine the value. The cost approach is most frequently used to value business personal property because accurate data for this approach is most readily available. However, all three approaches will be considered.

Market Approach to value- This method compares the subject assets to the same or similar assets used in businesses that are comparable in purpose, size and location.

Income Approach to value- This method analyses typical income and expense data of an income producing business asset to develop an opinion of value.

Freeport Exemptions for manufactured goods and items destined for shipment to a final destination outside the State of Georgia may be available. This exemption requires an annual timely application to receive full benefits. For applications filed after April 1, partial benefits are available until June 1. Freeport is separated into three categories:

1. Raw Materials and Goods in Process
2. Finished Goods
3. Out of State Shipment

Please contact the Property Appraisal Department if you have any questions.

Contact Business Personal Property Supervisor: D. Allen Alford 404-371-6349 or daalford@dekalbcountyga.gov

Business Personal Property Help Desk: 404-371-2479