

# Business Personal Property FAQs

## What is considered business personal property?

Personal property, e.g. furniture, fixtures and equipment, that is used or employed in a trade or business, including computer equipment. This does not include vehicles used in the business, as these are separately assessed. Personal property used in a manufacturing business is a separate class of personal property that is subject to [Machinery & Tools Taxes](#).

## How are business personal property taxes assessed?

Business personal property is self-assessed by the owner of the property based on the original cost of the property, the year it was acquired and the type of property. There are two types of business personal property: (1) Furniture, Fixtures and Equipment and (2) Programmable Computer Equipment. Below are the tables for the assessment ratios for each of these classes of business personal property:

### Furniture, Fixtures and Equipment

| Year | Assessment Ratio (%) |
|------|----------------------|
| 1    | 70                   |
| 2    | 60                   |
| 3    | 50                   |
| 4    | 40                   |
| 5    | 30                   |
| 6+   | 20                   |

### Programmable Computer Equipment

| Year | Assessment Ratio (%) |
|------|----------------------|
| 1    | 70                   |
| 2    | 60                   |
| 3    | 30                   |
| 4    | 15                   |
| 5    | 10                   |
| 6+   | 5                    |

## What is the process for reporting and paying business personal property taxes in the City of Richmond?

The filing and payment of business tangible personal property taxes in the City of Richmond is a two-step process.

**Step 1:** The business completes a Business Tangible Personal Property Tax Return, including a fixed asset schedule and schedule of leased equipment, and files the return with the City of Richmond on, or before, **March 1** of each tax year.

Upon receipt of the tax return, the Department of Finance enters the data in the City's Revenue Administration System and issues a tax bill to the business, or property owner in the case of leased equipment.

**Step 2:** Remit payment of the taxes due, as presented on the Tax Return and subsequent bill from the City of Richmond on or before **June 5**.

In the event either the March 1 or June 5 due dates are on a weekend, the due date for the Tax Return or the payment is the first business day after the weekend. Please contact our Revenue Administration personnel at (804) 646-7000 in the event you do not receive either the tax return or bill prior to the date it is due to be filed or taxes remitted.

### **What if I do not receive either the Tax Return or Tax Bill from the City?**

Both Virginia and City law place the responsibility for obtaining the necessary information to file and remit taxes by the due date(s) on the taxpayer without being called upon to do so by the local tax official. Our responsibility is to notify taxpayers, in a paper of general circulation, of the tax due dates and issue tax bills not less than fourteen (14) days prior to the due date. The Department of Finance advertises the tax due dates in several local newspapers, as well as on our City web site and issues tax bills to the address of record in our system thirty (30) days before the due date.

### **What is the penalty for failure to file a tax return or payment by the due date?**

There is a ten percent (10%) penalty for the failure to file the tax return and/or remit the taxes by the applicable due date(s). There is an additional five percent (5%) penalty for failure to remit the taxes within sixty (60) days of the tax due date.

In addition to the penalty, ten percent (10%) per annum interest is assessed on the taxes not remitted by the due date. Interest is calculated on the total of the tax plus the 10% penalty.

### **What if I do not agree with the assessed value of my property? Can I appeal the tax assessment?**

Yes. There are several options available for a taxpayer to appeal their property tax assessment.

- An administrative appeal may be filed with the Director of Finance (Director) of the City of Richmond.
- Upon receipt of a Final Local Determination issued by the Director, you may file an appeal with the Tax Commissioner of the Virginia Department of Taxation (TAX).
- At any point in the process, an appeal may be filed with the Richmond Circuit Court.