

## **ASSESSOR'S ESTIMATE/PENALTIES**

If a business fails to file a *Business Property Statement* when requested or required to do so, Revenue and Taxation Code Section 501 allows the Assessor to value the property by estimation. Such estimates are based on information in our possession, which may simply be an average value for that business type. A 10% assessment penalty will be applied to non-filed or late-filed property statements. Statements postmarked by the U.S.P.S. after May 7 are not timely filed.

## **AUDITS**

All property statements are subject to audit. Revenue and Taxation Code Section 442 states that the Assessor shall be furnished any required information or records for examination at any time. Revenue and Taxation Code Section 470 provides that any records relevant to an owned or claimed property should be made available upon request from the Assessor. The Assessor also conducts an annual mandatory audit program pursuant to Revenue and Taxation Code Section 469.

## **ASSESSMENT APPEALS**

Differences in opinion of value between the Assessor and the taxpayer are subject to review and disposition through an official appeals process. Riverside County currently has two independent appeals boards, each composed of three private citizens appointed by the County Board of Supervisors. The boards consider all evidence presented by the property owner and the Assessor at a formal hearing and then determine the value of the property under appeal.

In Riverside County appeals on regular assessments must be filed between July 2 and November 30. Appeals on supplemental assessments must be filed within 60 days of the mailing date on the *Notice of Supplemental Assessment*. Appeals for escape assessments must be filed within 60 days of the date on the *Notice of Enrollment of Escape Assessment* (In each case, if the U.S.P.S. postmark is a later date, it will determine the start of the filing period).

All appeals must be filed with the Clerk of the Appeals Board at the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor, P.O. Box 1628, Riverside, CA 92502-1628. For more information, call (951) 955-1060.

Valuation questions relating to assessment appeals can be directed to the Business Personal Property Division of the Assessor's office at (951) 955-6210.

## **PAYMENT OF TAXES**

The legal owner of the property on the tax lien date (January 1) is responsible for the payment of the unsecured property taxes, which cover the upcoming fiscal-year period. Subsequent sale, removal, or disposal of the property after that date does not relieve the assessee of the tax liability. California property tax law does not allow for the proration of unsecured property taxes. For more information regarding tax payments, you may contact the Tax Collector's office at (951) 955-3900.

## **EXEMPTION AND TAX RELIEF**

Property used exclusively for a church, college, cemetery, museum, school, or library may qualify for an exemption. Property owned and used exclusively by a non-profit, religious, charitable, scientific, or hospital corporation may also qualify.

**Note:** Receiving an exemption does not relieve the business entity from filing a *Business Property Statement*.

For more information regarding exemptions, call (951) 413-2890.

## **CONFIDENTIALITY**

"All information requested by the assessor or furnished in the property statement shall be held secret by the assessor. The statement is not a public document and is not open to public inspection, except as provided in Section 408" (Revenue and Taxation Code Section 451).

## **IMPORTANT DATES**

- January 1: Lien date (12:01 AM).
- February 15: Deadline for filing exemption claims for welfare, cemetery, college, and historical aircraft.
- April 1: Deadline for filing the *Business Property Statement* (Form 571-L) and other property statements.
- April 10: Deadline for payment of second installment of secured property taxes.
- May 7: Last day to timely file a business personal property statement without penalty.
- July 1: Assessment roll delivered by Assessor to County Auditor.
- July 2 - Nov. 30: Period for filing assessment appeal Applications for regular assessments.
- August 31: Deadline for payment of unsecured property taxes.
- December 10: Deadline for payment of first installment of secured property taxes.

## **PUBLIC SERVICE BROCHURES**

The following brochures are also available to the public:

### **From the Assessor**

- *Answers to Your Property Tax Questions*
- *The Assessment of Boats/Vessels and Non-Commercial Aircraft*

### **From the Treasurer-Tax Collector**

- *Understanding Property Taxes...The Simple Story*
- *When Property Taxes Become Delinquent...A Cause for Redemption*
- *The Moving Saga of Mobilehome Property Taxes*
- *The Case of the Supplemental Tax...Who, What, When, and Why*

## ***ANSWERS TO YOUR BUSINESS PROPERTY TAX QUESTIONS***

### ***Requirement to File an Annual Business Property Statement (Form 571-L)***



**PETER ALDANA**  
*Assessor-County Clerk-Recorder  
County of Riverside*

## **Business Personal Property Division**

4080 Lemon Street, 5<sup>th</sup> Floor  
P.O. Box 1240  
Riverside, CA 92502-1240

Telephone (951) 955-6210

Email: [bpphelpdesk@asrclrec.com](mailto:bpphelpdesk@asrclrec.com)

Fax: (951) 955-8535

**For hours of operation and additional  
information, please call our office or visit  
our website at [www.riversideacr.com](http://www.riversideacr.com)**

**Riverside County Property Tax Portal:**  
[www.riversidetaxinfo.com](http://www.riversidetaxinfo.com)

## **BUSINESS PROPERTY ASSESSMENTS**

### **What Business Property is Taxable?**

The California Constitution and the Revenue and Taxation Code state that all property is taxable, including business property, unless it is specifically exempt by law. Examples of taxable business property include:

- supplies
- machinery and equipment
- tools
- office furniture and equipment
- computer hardware and operating systems
- fixtures
- leasehold improvements
- property out on lease or rent
- construction in progress

The Commercial Property Division of the Assessor's office assesses the real estate (land and buildings) to the land owner, and the Business Personal Property Division assesses the remaining taxable business property (identified above) to the business owner.

### **Filing the *Business Property Statement***

Each year your business should receive a request from the Assessor to file a *Business Property Statement* (Form 571-L) for business property owned by you on January 1(lien date). The form should be completed in its entirety, signed, and returned to the Assessor by April 1. **Persons owning \$100,000 or more of taxable personal property are required to file a property statement even if the Assessor does not request a filing (Revenue and Taxation Code Section 441).**

Specific instructions are provided with the property statement. You are required to verify ownership, business location, mailing address, etc. Additionally, you must report your business property by category, calendar year acquired, and acquisition cost.

Please contact the Assessor's office if you have not received your *Business Property Statement* by January 31.

### **How is Business Property Valued For Property Tax Purposes?**

Business property is valued annually at fair market value as of the tax lien date (January 1). The tax rate is the same as for real property (1% general tax rate, plus special assessments and fees).

In valuing business property, the Assessor considers three appraisal approaches:

#### **1. The Comparative Sales (Market) Approach**

This approach is applied when sufficient and reliable market data are available. It is not generally used for business property valuation because sales of personal property items are often not recorded or are not available. It is typically used in the assessment of boats/vessels and general aircraft and may also be appropriate in the valuation of agricultural and construction equipment.

#### **2. The Income Approach**

The income approach is not the preferred choice for most business property valuations because of the difficulty in allocating business income and expenses to specific pieces of equipment. It is applicable in the valuation of income-specific property such as power plants and leased equipment.

#### **3. The Cost Approach**

The cost approach is the most common method used in the valuation of business property. It uses acquisition costs (or other sources) to determine current replacement value and then applies depreciation based on the age of the property. Most business machinery and equipment is valued under the cost approach because of its particular relevance for use in mass appraisals.

## **THE BUSINESS PROPERTY STATEMENT** **(Form 571-L)**

### **Name and Address**

Please ensure the pre-printed information (assessee name, dba name, mail address, business location) on the front of the property statement is accurate. Make any necessary corrections. The name and address on the ensuing property tax bill will be based on this information.

### **Part I – General Information**

This section is used for general information such as the type of business, business start date, taxpayer contact name, telephone number, location of accounting records, related entities, etc.

### **Part II – Property Belonging to You**

This is where the costs for your business supplies, equipment, and improvements are reported by schedule totals (The individual calendar-year costs for equipment and improvements must be detailed on Schedules "A" and "B" of the *Business Property Statement*).

### **Part III – Property Belonging to Others**

In this section provide detail pertaining to leased property (lessor name & address, property description & cost, etc.). Also identify any non-related businesses that are operating at this location.

### **Signature Section**

The *Business Property Statement* must be signed by the business owner or partner, corporate officer, authorized company representative, or legal agent in order to be considered a valid filing. This is an official document that must be signed under penalty of perjury. Unsigned statements will not be accepted and may result in penalties.

## **Schedule A**

On this schedule report the full cost of your machinery and equipment by acquisition year and category. The categories for Schedule A are as follows:

- A1** - Machinery and equipment
- A2** - Office furniture and equipment
- A3** - Other equipment (Miscellaneous equipment. Note: If used, please specify property type.)
- A4** - Tools, molds, dies, jigs
- A5** - Computers (Note: Three sub-categories).

## **Schedule B**

On this schedule report the full cost of your improvements by acquisition year and category. The categories for Schedule B are as follows:

- B1** - Structure improvements
- B2** - Fixture improvements
- B3** - Land improvements
- B4** - Land and land development

A structure improvement is one in which its primary use or purpose is for housing or accommodation of personnel, personality, or fixtures and has no direct application to the process or function of a trade, industry, or profession.

A fixture improvement is one in which its use or purpose directly applies to or augments the process or function of a trade, industry, or profession.

Land improvements include things such as black-top, curbs, fences, grading, etc.

(Examples of improvements are provided in the instructions.)

It is important to provide the descriptions of all annual additions and deletions of improvements in order for the Assessor to make the proper determinations regarding new construction and classification.

All statements in this pamphlet are accurate as of the date of printing.