



About Business Property Assessments – FAQ revised

When is Business Personal Property appraised?

Unlike real property, business personal property is appraised annually. Owners of all businesses must file a business property statement each year with the Assessor's Office detailing the cost of all their supplies, equipment, and fixtures at each location. This is required unless the Assessor's Office has already established the value of the business property and sent out a notification of "direct billing" or "low value exemption". Business inventory is exempt from taxation. For more information, call (415) 554-5531.

Why are you taxing my business assets, under what authority?

The State Constitution says that all property is subject to property tax unless otherwise exempt. Most people are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation. Section 201 of the Revenue and Taxation Code of California states that "All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code".

What is Business Personal Property?

Business Personal Property is any tangible property owned, claimed, used, possessed, managed or controlled in the conduct of a trade or business. This includes all machinery, fixtures, office furniture and equipment. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets or application software.

Are non-profit organizations required to file Business Property Statements?

Yes, the filing laws apply to non-profit organizations. However, nonprofit organizations may qualify for property tax exemptions. For more information, please contact the Exemptions Division of the Assessor's Office. If the ownership name begins with A through I, call (415) 554-5658; J through R, call (415) 554-5584; and S through Z, call (415) 554-5250.

All the equipment I use in my business was given to me and I don't know what to report on my property statement?

Equipment gifted to you for use in your business is taxable and must be reported on the property statement. If you don't know the equipment cost and/or year of acquisition, provide a good description including make and model and the general condition of each piece of equipment.

How is the assessed value determined?

Assessment begins with the cost of the asset, including sales tax, freight and installation. The Assessor applies a depreciation factor to the asset cost and this becomes the assessed value. The depreciation schedule is based on the expected economic life of the asset, and is different from the depreciation schedule used by tax accountants.

If the statement 571-L (R) is not filed, how is my assessed value determined?

The Assessor's Office, directed by state law, will arbitrarily determine an assessable value. In addition, a 10% penalty for failure to file will be added to your assessment (R&T Code, Sections 441, 463 and 501).

What is this year's tax rate?

San Francisco's tax rate is determined by the Board of Supervisors. While Proposition 13 established a maximum property tax rate of one percent (1%) of the assessable value, additional tax rate increases may be necessary to pay off indebtedness such as bonds authorized by San Francisco voters. Applying the 2016 tax rate of 1.1826% on the assessed value of the business assets will give a conservative estimate of what the tax owed will be. For example, if the assessed value is \$25,000, the property taxes owed on the business assets will be approximately \$296.

I received my Unsecure Tax bill but don't understand the valuation under Structures/Fixtures?

This line item includes assessments for combined structural improvements, as well as any fixtures to your property that was reported during this lien year.

What if I don't agree with the value on my tax bill, can I dispute it?

Yes, you can dispute the tax bill if you don't agree with the value.

The value can be corrected by our office if a clerical or administrative error was made. If this is the case, first contact the Business Personal Property Division of the Assessor's office at (415) 554-5531 to speak to a staff member about correcting the error. Our normal business hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. PST.

If the disagreement is a matter of valuation and penalty, you must file an "Application for Changed Assessment" with the San Francisco Assessment Appeals Board (AAB) no later than September 15th for the regular tax bill. The AAB's telephone number is (415) 554-6778. Even if you file an appeal, you must still pay the bill by August 31st to avoid late payment penalties.

Business Property statement subject to audit?

Yes, the Business Property Statement is subject to audit by the Assessor's Office. A new law was enacted and became effective January 1st, 2009. This law basically gives the Assessor the discretion to audit a significant number of all businesses to encourage the accurate and proper reporting of personal property.