



## APARTMENT RELATED PERSONAL PROPERTY TAXATION FREQUENTLY ASKED QUESTIONS (FAQ)

### **Why are you taxing my business assets?**

The State Constitution states that all property is subject to property tax unless otherwise exempt. Homeowners are familiar with the property taxes on their home. The assets of a business are also subject to assessment and taxation, includes apartment business personal property.

### **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. In general, business personal property is all property owned or leased by a business except licensed vehicles, business inventory, intangible assets, or application software. This includes apartment fixtures, furniture and furnishings, appliances and equipment, and related supplies.

### **How is the assessed value determined?**

Assessment begins with an analysis of the cost of the asset, including sales tax, as well as the freight and installation costs. The Assessor applies a valuation factor to the asset cost to arrive at the assessed value. The valuation factor is based on the expected economic life of the asset and is different from the depreciation schedule used by Internal Revenue Service, Franchise Tax Board, and tax accountants.

### **What is the tax rate and when will my bill be received?**

Visit our website for current information on the tax rate and when tax bills be received,

<https://www.sfassessor.org/property-information/business-owners/about-business-property-assessments>

### **Is my Apartment House Property Statement confidential?**

Yes, by law the 571-R Apartment House Property Statement is a confidential document. It is not a public document and will be held confidential by the Assessor.

### **If the Apartment House Property Statement is not filed, how will my business' assessed value be determined?**

If you do not file a Form 571-R Apartment House Property Statement, the Assessor's Office, directed by state law, will determine an assessable value. In addition, a 10% penalty for failure to file will be added to your assessment.

### **How can I receive a copy of my prior year's valuation?**

Email us at [askbpp@sfgov.org](mailto:askbpp@sfgov.org) to request for a copy of prior year's valuation. If you are an agent of a taxpayer, we require authorization from the business owner.

### **I closed or sold my property before January 1, 2021. Do I still need to file the Apartment House Property Statement?**

Yes. Anytime a person receives a statement from the Assessor and their business is no longer in operation, the statement must still be signed and returned to the Assessor. Make a notation on the statement that the business has closed and note the closing date. Please indicate name and mailing address of new owner, sign the front page, and return form to Office of the Assessor-Recorder, Business Personal Property Division, 1155 Market Street, 5<sup>th</sup> Floor, San Francisco, CA 94103.