

What is the Application for Exemption Process?

Organizations claiming exemption from N.C. personal property tax must file an application for exemption by January 31. Applications for exemption (form AV-12) may be obtained from the Cumberland County Tax Administrator's Office.

Can A Business Request an Extension?

Businesses may request an extension for listing, however this must be in writing to the Assessor and received in our office no later than January 31 or postmarked by January 31. Extensions that meet requirements will be granted through April 15.

What Types of Business Personal Property Are Exempt from Taxation?

- N.C.G.S. 105-278.3
Real and personal property used for religious purposes.
- N.C.G.S. 105-278.4
Real and personal property used for educational purposes.
- N.C.G.S. 105-278.5
Real and personal property of religious educational assemblies used for religious and educational purposes.
- N.C.G.S. 105-278.6
Real and personal property used for charitable purposes.
- N.C.G.S. 105-278.7
Real and personal property used for educational, scientific, literary or charitable purposes.
- N.C.G.S. 105-278.8
Real and personal property used for charitable hospital purposes.

You must make application for exemption, it is not automatically granted.

Cumberland County Tax Administration

117 Dick Street, 5TH Floor
P.O. Box 449
Fayetteville NC 28302
Phone: (910) 678-7507
Fax: (910) 678-7582
Hours: 8:00 am to 5:00 pm
www.co.cumberland.nc.us

Where Can I Get Assistance In Completing The Listing Form?

Most questions pertaining to the Business Personal Listing Form can be answered by using the listing form instructions or by calling Customer Service at (910) 678-7507.

Any of the Business Personal Property Tax Personnel will be glad to answer any questions you have regarding the Business Personal Property Listing Form, or will schedule a convenient time for you to meet with them in the office.



Does My Business Need a License to Operate in the County?

No, however you should contact the city/town in which the business is located to see if you are required to have a privilege license.

Businesses who hold a North Carolina Beer or Wine License will be required to make application for a license with the city/town where the business is located. You may contact the North Carolina ABC Commission at (919) 779-0700 or www.ncabc.com for information.

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NOTICE TO BUSINESS OWNERS



Business Personal Property Taxation



CUMBERLAND COUNTY TAX ADMINISTRATION

117 DICK ST, 5TH FLOOR
COURTHOUSE, ROOM 530
FAYETTEVILLE NC 28301
TELEPHONE: 910 678-7507
FAX: 910-678-7582
www.co.cumberland.nc.us

What is Personal Property?

According to the North Carolina General Statutes, all property that is not defined or taxed as “real estate” or “real property” is considered to be “personal property.” Business personal property is taxable whether it is owned, leased, rented, loaned, or otherwise made available to the business.

(See **Types of Business Personal Property**).

Who Must File A Business Personal Property Listing?

The completion of a listing is required of all individuals, partnerships, corporations and associations who on January 1 own, control or possess any amount of leasehold improvements or personal property (tangible) used or held for a business purpose. The question of exempt status does not excuse any of the foregoing from this requirement.

Farmers, carpenters and mechanics who own tools and equipment used in a trade of business should list.

Apartment complexes should list furnishings (furniture, blinds, drapes, etc.). Rented furnishings (landlord only) owners of furnished rental units (house, apartment, condo, mobile home, etc.), should list.

When and Where Does a Business Owner List?

The business personal property listing must be filed on or before January 31 with the Cumberland County Tax Administration Business Department. Listings submitted by mail shall be deemed to be filed as of the date shown on the postmark affixed by the U.S. Postal Service. If no date is shown on the postmark, or if the postmark is not affixed by the U.S. Postal Service (for instance, your own postage meter) the listings shall be deemed to be filed when received in the Cumberland County Tax Administration Business Department. **All late filed listings SHALL be subject to a ten percent (10%) penalty.**

An extension of time to list may be obtained by sending a written request showing “good cause” to the County Assessor by January 31.

How Do I Obtain a Business Personal Property Listing Form?

Contact the Cumberland County Tax Administration Office at (910) 678-7507 or on the website www.co.cumberland.nc.us

Types of Business Personal Property

Supplies and Materials

List all supplies and materials which are not consumed in manufacturing, processing or that become a part of the sale of the property being sold. Include spare parts held for equipment maintenance and repair even though they may be carried in an inventory account, as well as medical and beauty supplies. Hotels and hospitals should list the supplies that are provided in their room charge.

Inventories, for example, goods held for sale in the regular course of business by manufacturers, retail merchants and contractors are exempt from personal tax. This includes raw materials, goods in process of manufacturing, and finished goods.

Tangible Personal Property

All tangible personal property must be listed as of January 1. Taxpayers with a business year-end other than December 31 must update their records to the January 1 reporting date. Tangible personal property includes, but is not limited to, machinery, equipment, furniture, fixtures, drawings, signs, purchased software which is treated as a capital asset, reference libraries, etc. All items must be listed at 100% cost including installation, sales tax, freight and any associated costs.

List unlicensed vehicles and special truck mounted equipment (cranes, wrecker equipment, etc.) attaching a schedule showing the year acquired, cost, description of equipment and license number of vehicle on which installed.

Personal property which you rent or lease to others is not exempt from property taxes. If you own such property, attach a schedule showing lessee’s name and address, a description of the property, the year acquired and the cost. If you manufactured this equipment, you must furnish selling price new, not manufactured cost.

Construction In Progress

Report 100% cost of all personal property carried in the CIP account as of January 1. Provide information as to the categories of property carried in this account and a detail of the expenditures for each during the preceding calendar year.

Leasehold Improvements

Report total investment during preceding calendar year in leasehold improvements. Certain improvements are not assessed as real estate but are considered to be personal property. Examples would be special lighting, dropped ceilings, lavatories installed by lessee in a barber shop. The real estate valuation includes such items as floor covering, wall covering, ceilings, normal lighting, heating, air conditioning, sprinkler systems, paving, fencing and area lighting.

Vehicles

You are no longer required to list **registered vehicles** (automobiles, trucks, trailers, motorcycles, or motor homes). The tax on these vehicles will be billed by the county after the current registration is renewed or application is made for a new registration. However, you must continue to list boats and motors, aircraft, mobile homes, multi-year/permanent tagged vehicles and vehicles which are not registered by the North Carolina Department of Motor Vehicles.

Property Owned By Others in Possession of Taxpayer

If on January 1 you have in your possession any business machinery, furniture, vending equipment, game machines, postage meters or any other equipment which is loaned, leased or otherwise held and not owned by you, a complete description, ownership based on the lease/rental agreements, year acquired and cost of the property should be reported. This information is for the office use only. Assessments may be made to the owner/lessor.

If there is a financial agreement, capital lease or a buyout at the end of the lease, it needs to be listed by the lessee.