

Richland County Auditor's Office

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<http://www.richlandcountysc.gov/auditor>

Business Personal Property Taxes: Frequently Asked Questions

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General Information

1. What is Business Personal Property?

It is the furniture, fixtures, and equipment used to operate your business.

2. What are examples of Business Personal Property that should be included on the filing return?

- computers
- office furniture
- anything *owned* and used by your business while conducting business activity
- personal property owned by individuals but used in a business outside the employees' homes is taxable
- broken or unused equipment is taxable as long as it is on the business' premises
- software
- desks, chairs
- telephone systems
- tools or equipment

3. When did this tax start?

This tax was first levied, or charged, in the early 1970's.

4. Who needs to file Business Personal Property Tax returns?

All businesses with a physical location in Richland County that own or use assets of fixtures, furniture, and equipment need to file Business Personal Property Tax returns. See Question 5 below regarding home-based businesses.

5. I am a home-based business. Do I still need to file and/or pay Business Personal Property Taxes?

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State law (Section 12-37-220)(5) exempts “all household goods and furniture used in the home of the owner of such goods and furniture, such to include built-in equipment such as ranges, dishwashers and disposals...” Due to this exemption, Business Personal Property Taxes do not need to be paid when all conditions below are true:

A home-based business in which:

- (1) the business itself owns no fixtures, furniture, and equipment,
- (2) all the fixtures, furniture, and equipment used in the conduct of the business *personally* belongs to the *owner* of the business (not the business itself), and
- (3) all use of the fixtures, furniture, and equipment occurs in the residence in which the business is being conducted.

6. I am a non-profit company. Do I still have to pay Business Personal Property Taxes?

Businesses defined as IRS 501(c)(3) businesses may apply for a charitable company exemption from Business Personal Property Taxes. Contact the SC Department of Revenue at 803-898-5480 for applications or more information. IRS documentation establishing 501(c)(3) status may be required. Businesses filing County Business Personal Property Tax returns that have been granted this charitable exemption need to send the County Auditor's Office documentation from the SC Department of Revenue showing that this exemption has been granted.

7. What if I have no assets, or fixtures, furniture, or equipment?

People or businesses with no assets are still required to file Business Personal Property Tax returns. In this case, you will submit a return listing zero assets. However, you must include a letter of explanation as to why you are filing zero assets. You will also need to include a fixed asset sheet and/or Schedule C from your federal income tax return, if applicable.

8. My company leases its fixtures, furniture, and equipment. Is there anything special I have to do?

Yes. Please contact the Auditor's Office for more details for your specific circumstances. You also need to contact the Business Service Center at bsc@rcgov.us or 803-576-2287 with the leasing company's information so your business may be identified for business license purposes as having its Business Personal Property properly addressed.

Calculating the Taxes

9. How do you know what to bill me?

The numbers come from the Business Personal Property return that you file either with the State Department of Revenue or the County Auditor. These numbers are taken from your fixed asset sheet used for income tax purposes. You must maintain a 10% residual when depreciating your assets – meaning, your assets must always be listed as at least 10% of their original value when new. You cannot depreciate down to 0%.

10. What rate do you tax my furniture, fixtures, and equipment?

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Business Personal Property is taxed at 10.5% of your *net depreciated* value.

11. What percentage of depreciation am I allowed to deduct?

There are several different methods of depreciation. The taxpayer should contact their tax advisor or accountant to determine what depreciation schedule is best for their business.

12. How much will my tax bill be?

The taxes are based on the net depreciated value of all your furniture, fixtures, and equipment, excluding airplanes and vehicles. The depreciated value is multiplied by the 10.5% rate, giving the assessment rounded to the nearest ten. The assessment is then multiplied by the tax rate for the tax district in which your business is located, resulting in the amount owed.

$$(\text{value of property}) \times 10.5\% = \text{assessed value} \times \text{tax rate} = \text{amount owed}$$

Filing the Assets

13. When is the deadline to file Business Personal Property Tax returns?

April 30 is the annual deadline to file returns. The County will then mail bills to businesses in October or November.

14. When is the deadline to pay Business Personal Property Taxes?

January 15 is the annual deadline to pay Business Personal Property Taxes without penalties.

15. Where do I file this return?

Businesses needing to file with the County may now file online at www.rcgov.us/auditor.

Professional or service type businesses file a County Business Personal Property Tax return with the County Auditor's Office. Businesses associated with sales taxes or miscellaneous retail file a PT-100 form with the Department of Revenue. Both of these forms are available at the County Auditor's Office or the Richland County Business Service Center.

16. Who signs my Business Personal Property Tax return?

The owner of the business for whom the return is being completed must sign the return. If you have an accountant prepare the form, the accountant must also sign the form.

17. Do I have to file a return for all my locations or can I file just one return?

A Business Personal Property Tax return must be filed for each location.

18. I am no longer in business. What do I do?

You must close your account either with the Department of Revenue or the County Auditor's Office. If you have a retail sales tax number (it is the "040-" number), you must close that account first, with the Department of Revenue, at 803-896-1370. Then you may close your Business Personal Property account. Your tax bill is based on the previous year's accounting

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closing period. Therefore, you may receive a tax bill after you have closed, depending on your closing date and your account closing period.

Paying the Taxes

19. Can I pay for Business Personal Property Taxes online?

Yes. Businesses can pay these taxes online. Go to www.rcgov.us, select "Online Payments" from the list on the right, then select "Vehicle, Real Estate, Business, and Personal Property Tax Payments. Then select "Business." Only current, non-delinquent, years may be paid online, however.

20. My business owes significant delinquent Business Personal Property taxes. Is there a payment plan I can sign up for?

Yes. The County Treasurer's Office offers a payment plan for qualifying businesses to repay delinquent Business Personal Property Taxes over time. Please contact the Treasurer's Office at 576-2250 or 576-2270 for more information. Please be aware, however, that the County's Code of Ordinances prohibits business licenses from being issued until all funds due to the County are paid in full.

21. I cannot find my receipt for my Business Personal Property Taxes so I can get my business license. How can I get another copy?

You may call the Richland County Treasurer's Office at 803-576-2250 to request another receipt. However, you need to have your Business Personal Property Tax account number. If you do not have this number, the Treasurer's Office or the Auditor's Office can find the account number for you.

Closing a Business

22. I am closing my business. Do I have to do anything?

Yes. You need to let different government agencies with whom your business is "registered" know that you are closing your account. Richland County has a Closing Form, found online, that is used for this purpose. Complete and return it by email to EACH County agency with whom the business receives information or to whom the business pays taxes.

23. I closed my business. Do I have to pay this tax bill?

Yes. Business Personal Property Taxes are paid a year in arrears, or a year behind.

For example, a business that is open and operating in one year, say 2018, must file its business personal property assets owned that same year (2018) by April 30 the following year (2019), as required with the County or the State. This filing will result in the business receiving a Business Personal Property Tax bill by 11/30/2019.

This bill must be paid by 01/15/2020 – even if the business closed any time during that year (2019 in our example). This is because the taxes due by 01/15/2020 are based on the business assets owned in 2018, when the business was operating.