

Personal Property Data Entry Users Guide



Department of Revenue
Office of Property Valuation

Why do we have a property tax system?

The property tax statewide system is the result of a need to centralize personal property tax information. In 1986, House Bill 512 mandated the establishment of a centralized intangible property tax system. This system uses the market approach to value with a table-driven on-line valuation system and provides the basis for compliance programs.

Likewise In 1988 the General Assembly enacted House Bill 720 which mandated the Revenue Cabinet to develop a centralized tangible property tax system. These systems are referred to as the IPT and/or TPT system. House Bill 272 exempted most Intangible property, so the IPT system is no longer used.

The TPT system relies on user input through an online statewide network. Computer terminals and accessory equipment are in every Property Valuation Administrators Office to create and maintain a centralized personal property tax roll.

Why have a data entry user class and manual?

In order to efficiently use the system and to provide fair and equitable tax assessments it is *essential* that all data entry users follow the same guidelines. For example, valuable time could be wasted on erroneous assessment records that were entered into the system with an incorrect ID number or name. Consequently, taxpayer frustration could result from incorrect assessment amounts, and/or compliance activities.

What is the Property Tax System?

The Property Tax System is a computer program attached to the Kentucky Statewide Network that keeps a record of the different kinds of personal property a taxpayer owns as of each January 1 assessment date. These records are then used to produce the annual tax roll from which tax bills are created. This system can only operate efficiently with reliable information. In other words, "garbage in/ garbage out."

What is Tangible Property?

Briefly it is "personal property which consists of physical property that has any intrinsic or marketable value and utility of itself, such as business furnishings and equipment, automobiles, watercraft, aircraft, manufacturing and farming machinery, inventories, livestock, materials and supplies, and other items.

Further explanation of tangible property can be obtained by enrolling in Kentucky Course 50, Basic Personal Property. Contact the Office of Property Valuations' Education Branch for further details.

This manual is designed to be used as a desk reference when entering data for the current year tangible personal property tax roll.

TANGIBLE DATA ENTRY

PRE-AUDIT

Before a return is entered into the system, the following "pre-audit" checks should be performed to ensure an accurate record and reduce data entry time.

- ✓ **Check for complete taxpayer identification information.** If a taxpayer neglects to provide a social security or FEIN number, an attempt should be made to obtain it via previously filed returns, through the MOTAX screen, contact taxpayer directly or call our office for assistance.
- ✓ Verify that the property location given is a street address or geographic location, for the purpose of district identification.
- ✓ Record the proper tax district code. In Counties with multiple taxing districts, taxpayers could have property and/or returns in several districts.
- ✓ Determine the values for property not valued on the return. If necessary, contact the taxpayer for clarification.
- ✓ Verify all computations for mathematical accuracy. Make certain that any values listed on schedules "A" and "B", or miscellaneous schedules are carried over to the front page of the tangible return.
- ✓ Inquire for prior year filing status (In PF-11) to determine which screen to enter the return in (PF-13 or PF14). Compare the reporting is the taxpayer reporting similar values and property on the various line items? If not can inquire with taxpayer or send to DOR for possible compliance case.
- ✓ If return is postmarked after May 15th, date stamp and mail to the Department of Property Valuation, Personal Property Branch. If not date stamped, the envelope in which mailed to your office should be mail with the return to Personal Property Branch. These returns should be verified that they are not duplicates, look up in system to see its not entered and on the tax roll. The returns need to be district coded prior to sending to Frankfort.
- ✓ Check the factors on schedules "A" and "B" to verify that those factors match the factors on the current year tangible schedules. If they do not match, you can contact taxpayer for correction or enter and send copy to Personal Property Branch. Please identify the reasoning of why you are sending the return(s) to Personal Property Branch.

132.290 Omitted property, what constitutes -- Periods within which it may be assessed retroactively -- Penalties and interest.

- (1) Any real property which has not been listed for taxation, for any year in which it is taxable, by the time the board of assessment appeals completes its work for that year shall be deemed omitted property. Any personal property which has not been listed for taxation, for any year in which it is taxable, by the due date of that year shall be deemed omitted property.
- (2) All omitted property shall be assessed retroactively in the manner provided by law at any time within five (5) years from the date when it became omitted, but the lien thereby accruing on any such property, except real property, shall not prejudice the rights of bona fide purchasers acquired in the meantime.
- (3) All omitted property voluntarily listed shall be subject to a penalty of ten percent (10%) of the amount of taxes, and interest at the tax interest rate as defined in KRS131.010(6) from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is paid.

- (4) All omitted property not voluntarily listed shall be subject to a penalty of twenty percent (20%) of the amount of taxes, and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is paid.
- (5) When the property is assessed retroactively by action prosecuted in the manner provided by KRS 132.330 and 132.340, an additional penalty of twenty percent (20%) of the amount of the original tax, interest and penalty may be collected for the purpose provided in KRS 134.552 and paid into the State Treasury. All other penalties and interest shall be distributed in the same manner as the tax.
- (6) Taxes on omitted property shall be due and payable as provided in KRS 134.015.

INQUIRY (PF-11)

The Inquiry screen is used to view Information on a previously entered return. Data cannot be entered or altered on this screen. Enter one of the four criteria listed below to access a property tax return In the TPT system:

1. Federal Employee Identification Number (FEIN) or Social Security Number.
2. PVA Account Number.
3. Name.
4. 2nd Social Security Number.

The search may be restricted to a certain year, county, and tax district. To specify a certain tax year, type in the last two digits of the year in the year field. To select a certain county, type the four-letter county code In the CNTY field (Lee County has only a **3-letter** code). To include **all** counties in the search criteria, leave the CNTY field blank. To specify a certain tax district within a county, enter both the county and district code in the proper fields.

This screen should be used as part of the preliminary procedure for entering returns to determine the correct data entry screen to use and help eliminate duplicate returns.

RETURN ENTRY NEW TAXPAYER (PF-13)

This is the basic data entry screen and should be used for first time filers. The user will begin entry by typing in his/her clerk **ID**. This is a three-character field which identifies the person who entered the return. For example, E J F would be the clerk ID for Elmer J. Fudd. The next field for entry is the PVA# field. This field is for use by the PVA office to assign an account number to the record.

Next the user will need to enter the taxpayer ID in the field marked FIN/SSN.

- ✓ **Check for complete taxpayer identification information.** If a taxpayer neglects to provide a social security or FEIN number, an attempt should be made to obtain it via previously filed returns, through the MOTAX screen, contact taxpayer directly or call our office for assistance.

If a social security number or FEIN number cannot be found, typing "11 Unknown" in the social

security field will generate a number, **Do not make up a number** (for example 999-99-9999). When the computer generates a number, write it on the return in the space provided for the social security number. This will make it easier to locate the return in the system. If the social security or FEIN number and the district code are identical to one already in the system, the message "Duplicate SSN or FEIN Please Verify" will appear. After confirming that the number was entered correctly and that the return is not a duplicate, type "Verified" in the FIN/SSN field.

RETURN ENTRY NEW TAXPAYER		COMMONWEALTH OF KENTUCKY TANGIBLE PROPERTY TAX SYSTEM				RETPT03 LOC # T-	
CLERK ID	PRINT			LATE RET		OMIT RET	
FIN/SSN	<u>v</u> <u>e</u> <u>r</u> <u> </u> <u>i</u> <u>f</u> <u>i</u> <u>e</u> <u>d</u> <u>^</u>	NAME				PVA #	YR 99
2ND SSN	ADD1		ADD2				
SIC	CITY	ST	ZIP			ORG	
PROPERTY LOC		CNTY	DIST			TYPE RET	
TRS DT	ENT DT	ENT CNTY	REV			PVA	

^ press space bar

If the number was entered incorrectly or the return is a duplicate, then change the number or press PF-13 to refresh the screen.

Next you will begin entering the demographic information. It is essential that names be entered according to the same guidelines by all users. If a name is entered with punctuation or otherwise out of sequence, a duplicate return may be entered, or a taxpayer may be subject to an audit as a non-filer. This is especially significant if the taxpayer has not listed a social security number and the name becomes the primary identifier.

After entering the name correctly, proceed with the entry of the address information. There are two address lines provided for street number and/or name, P.O. Box, etc. Next you will enter the city, state, and zip code information.

Also on this line is the NAICS field. This field represents the North American Industry Classification System code for businesses. The NAICS field contains six spaces, and all NAICS codes contain six numbers, if a code contains less than six numbers, fill in the remaining spaces with zeros.

The next field for entry is ORG TYPE. This field is for a number 1,2,3,4,5,6, or 7 which corresponds to the organization type codes on the tangible property tax return.

Organization Type	
<input type="checkbox"/> Individual	1
<input type="checkbox"/> Joint (Co-Owners)	2
<input type="checkbox"/> Partnership/LLP	3
<input type="checkbox"/> Domestic Corp./LLC	4
<input type="checkbox"/> Foreign Corp./LLC	5
<input type="checkbox"/> Fiduciary—Bank	6
<input type="checkbox"/> Fiduciary—Other	7

The next line starts With the PROPERTY LOC field. The actual physical location of the property is to be entered in this field. **Do not use the PO Box address in this field. If you do not physical location, contact taxpayer to obtain or look to see if prior year had physical location. As last resort put in City district.**

The next field for entry is CNTY field. This field is for a four-**l e t t e r** abbreviation for the county of situs (for a definition of situs, refer to the KY Course 50 book,).

The DIST field is next. It is important that the correct district code be entered for each return to ensure that the correct tax rates are used. Tangible property tax rates are based on the different taxing districts within the counties. Situs of tangible property is important (for more information on situs of tangible property see the KY 50 course book).

The next field for entry is TYPE RET. A code must be entered in this field before the user can proceed and cannot be left blank. This will apply to returns entered in PF-14 also. Taxpayers that list Schedule B property are usually **Manufacturers** and should be coded TYPE RET 14. Taxpayers that list other property, **Commercial and Individual**, should be coded TYP RET 15.

If a taxpayer files assets on the wrong schedule or line, your office can contact the taxpayer for a correction. For example, auto dealer files inventory on line 31, all prior years on line 34. Another example would be a restaurant filing on schedule B or inventory on line 33. To keep from doing an exoneration its best practice to attempt to get it fixed prior to closing tax roll.

When a return is entered, only the Item code and amounts which have been filled in on the return form should be keyed. Schedule "A" and "B" line Items (11-16 and 21-26) must be keyed in the top area since they have both original cost and reported value. **Both original cost and reported value must be entered.** Line Items 31-90, which have only reported value, must be keyed in the lower area. **If the taxpayer uses decimals in cost or reported value, you must round and not enter the decimals. The number listed on a return as 14,456.36 becomes 1,445,636 which is a significant difference.**

After the return has been entered, record the locator number, preceded by the three-digit county code, in the space provided in the upper right-hand corner of the return.

Please review the entry in the system to what is on the return to check for data entry errors, no district code, etc. This is to ensure the tax roll is accurate.

RETURN ENTRY PRIOR YEAR (PF-14)

This screen is designed to save data entry labor by displaying the demographic information from the previous years' return. This screen is accessed by entering a SOCIAL SECURITY NUMBER, FEIN NUMBER, PVA ACCOUNT NUMBER or NAME, in the proper field. A specific tax district may also be requested by entering the district desired.

Once the return is accessed, **check for any changes in demographic information;** then correct

any misspellings and delete any punctuation.

If a taxpayer failed to list a social security number or FEIN number in the previous year, but listed one this year, replace the computer-generated number with the correct social security or FEIN number. If the Social Security number or FEIN number is still unknown, a new number should be created. When the prior years' return is accessed, the previous years' identification number will be displayed and will remain unless changed. However, the computer assigns Identification numbers in sequential order and will assign the same number to another account. To avoid having two accounts with the same identification number, type "unknown" in the FIN/SSN field to generate a new number.

RETURN ENTRY NEW TAXPAYER	COMMONWEALTH OF KENTUCKY TANGIBLE PROPERTY TAX SYSTEM				RETPT03 LOC # T-					
CLERK ID	PRINT		LATE RET	OMIT RET						
FIN/SSN	<u>u</u>	<u>n</u>	<u>k</u>	<u>n</u>	<u>o</u>	<u>w</u>	<u>n</u>	NAME	PVA #	YR 99
2ND SSN	ADD1		ADD2							
SIC	CITY		ST	ZIP					ORG	
PROPERTY LOC			CNTY	DIST					TYPE RET	
TRS DT	ENT DT		ENT CNTY	REV					PVA	

If the social security number or FEIN number and district code are identical to one already in the system, the message "Duplicate SSN or FEIN Please Verify" will appear. After confirming that the number was entered correctly and that the return is not a duplicate, type "Verified" in the FIN/SSN field.

RETURN ENTRY NEW TAXPAYER	COMMONWEALTH OF KENTUCKY TANGIBLE PROPERTY TAX SYSTEM				RETPT03 LOC # T-						
CLERK ID	PRINT		LATE RET	OMIT RET							
FIN/SSN	<u>v</u>	<u>e</u>	<u>r</u>	<u>i</u>	<u>f</u>	<u>i</u>	<u>e</u>	<u>d</u>	NAME	PVA #	YR 99
2ND SSN	ADD1		ADD2								
SIC	CITY		ST	ZIP					ORG		
PROPERTY LOC			CNTY	DIST					TYPE RET		
TRS DT	ENT DT		ENT CNTY	REV					PVA		

If the number was entered incorrectly or the return is a duplicate, then correct the number or press PF-14 to refresh the screen.

After the return has been entered, record the locator number, preceded by the three-digit county code, in the space provided in the upper right-hand corner of the return.

Please review the entry in the system to what is on the return to check for data entry errors, no district code, etc. This is to ensure the tax roll is accurate.

CORRECT CURRENT YEAR RETURN (PF-15)

This screen is used to update and correct previously entered current year returns. Access to this screen is through social security number, FEIN number, or PVA account number. Once the return is accessed, all data may be corrected in their original fields except for the social security number, FEIN number, PVA number and the taxpayer's name. If data in these fields is to be altered, the correct data must be entered into the "NEW SSN", "NEW NAME", or "NEW PVA#" fields located just above the original cost fields.

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CORRECT CURRENT          COMMONWEALTH OF KENTUCKY          RETPT05
YEAR RETURN              TANGIBLE PROPERTY TAX SYSTEM          LOC # T- 00965
CLERK ID CLT PRINT      NAME WALDEN MORTGAGE GROUP LLC          LATE RET N OMIT RET
FIN/SSN 30 0274306     ADD1 3609 WALDEN DRIVE          ADD2          PVA # 89992950          YR 22
2ND SSN                CITY LEXINGTON          ST KY          ZIP 40517          ORG 4
NAIC 522292            WALDEN DRIVE          CNTY FAYE          DIST 02          TYPE RET 14
PROPERTY LOC 3609     ENT DT 04/04/22          ENT CNTY C          REV          PVA 034
TRS DT 04/04/22
NEW:  SSN              NM              PVA#              CNTY
ITEM  ORIG COST      REPORTED VALUE      ITEM  ORIG COST      REPORTED VALUE
11      17,659            8,097            21
12      11,231            1,673            22
13      25,625            2,970            23
14
15
16
17      54,515            12,740           27
ITEM              ITEM              ITEM              ITEM              ITEM
31              35              39              60              895
32              36              40              70
33              37              41              81
34              38              50              82
                                   90
    
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To delete a line item in the property description section, type "DD" in the LINE-ITEM CODE field. Type "DD" directly over the code #. To change a specific value on a line item, use delete key to erase value and type in new value.

ITEM	ITEM	ITEM	ITEM
31 10,000	35	39	60
dd 10,000	36	40	70
33	37	41	81
34	38	50	82
			90

Amended returns will retain the same locator number and should be attached to the original and filed.

Please review the entry in the system to what is on the return to check for data entry errors, no district code, etc. This is to ensure the tax roll is accurate.

DELETE CURRENT YEAR RETURN {PF-16}

This screen should be used to delete duplicate returns or returns that were entered in error. Access to this screen is through social security number, FEIN number, or PVA account number. A specific tax district may also be requested:

To delete the return, type an "X" in the appropriate field **at the bottom of the screen**. Press the ENTER key and the return will be deleted. Be sure to either keep a file folder of the deleted returns or a record of the following information: locator number, SSN or FEIN, date, reason for the deletion, and the new locator number if the return was re-entered.

Please attempt to look up to make sure it deleted.

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32      1,173,612      36      40      70
33      306,499      37      41      81
34                                     38      50      82
TO DELETE THIS RECORD ENTER 'X' AND PRESS THE ENTER KEY █ 90
M18-INQUIRY COMPLETE
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HISTORY INQUIRY (PF-18)

This screen allows the user to compare the figures from a taxpayer past five years returns simultaneously. Access to this screen is through social security number, FEIN number, PVA account number or name.

Rules for Alphabetic Filing

(Amended to fit data entry requirements & program restrictions)

- Punctuation should never be used! No commas or periods! NO SPECIAL CHARACTERS SUCH AS ()
- Individual taxpayers should always be entered LAST name first.
- Nothing comes before something (i.e. a single letter "O" comes before a name beginning with the same letter "Oasis").
- Titles, Prefixes: and Suffixes are always listed last unless part of the "*business name*" (Le. Sir Edgars Sweets).
- The "&" symbol should be used Instead of "*and*".
- Trust accounts should be entered under the name of the trust not the trustee's name.
- Estates should be under the estate name (last name first) not under the executor's name.
- Businesses and PSCs are entered first name first.
- Do not enter "The" or "A" as the first name of a corporation.
- DBAs should be entered under the business name because only the NAME line is part of the search criteria in the event of a name search.

INDIVIDUALS: Individuals should always be entered last name first without punctuation. The word "and" should not be spelled out, but the symbol "&" used Instead. Names such as William or James should not be abbreviated (Wm. or Jas.). Professional/personal titles such as Dr., Mr., or Jr. should not be listed as the first name. When using initials as the first name, space between the Initials and do not use periods. For examples, see below:

Correct

Jones Joseph P & Mary T
Doe William or James
Barns Robert Jr
Smith Paul.Dr
Smith Paul
Carson J T

Incorrect

Jones, Joseph P. and Mary T.
Doe, Wm or Jas.
Barns Jr., Robert
Smith Dr Paul
Dr. Paul Smith
Carson JT
Carson J. T.

TRUSTS: Enter trusts under the name of the Individual account holder, not the trustee.

Correct

Jones Michael C Irrevocable Trust

Incorrect

First National Bank Trustee

ESTATES: Do not use estate as the first word. Enter estates under the deceased person's name, not the executor.

Correct

Turner Jack Estate

Incorrect

Estate of Jack Turner

BUSINESSES/PSC'S/DBA'S: Corporations are entered as submitted, first name first, using no punctuation. Do not enter "The" or "A" as the first name of a corporation.

Correct

Buddy Wilsons Auto Repair
Sewing Basket The
Basket of Love A

Incorrect

Wilsons Buddy Auto Repair
The Sewing Basket
A Basket of Love

When Initials are in the name of a corporation, space between the initials and do not use periods. Do not abbreviate words such as Kentucky, especially when they are used in the first few words of the name. PSC's should be entered under the first name.

Correct

A A A Plumbing & Heating
A Able Plumbing & Heating
Kentucky Auto Parts
John Carter PSC

Incorrect

A. A. A. Plumbing & Heating
AAA Plumbing & Heating
Ky. Auto Parts
Carter John PSC

Individuals doing business under another name (DBA) should be entered as follows:

Correct

Allentown Pet Shop
Joe Smith DBA

Incorrect

Joe Smith DBA
Allentown Pet Shop

The property tax system is not set up to inquire on the first address line, thus if you were looking for Allentown Pet Shop, (and did not have the SSN#, FEIN#, PVA#, or taxpayer's name) the system would not locate this record. So, the taxpayer may either be entered twice into the property tax system or possibly marked for audit by Frankfort.

FOREIGN ADDRESSES

The system is not designed for foreign addresses. If you have a local address you can use that but you will need to flag and have the bill sent manually to the correct address on the form. You will have to notify who mails out the bills in the County and manually remove this one and mail to correct address. You can contact your vendor to inquire if update can be made to the file created for billing purposes once you are certified to update the address.