

WHAT IS PERSONAL PROPERTY

For individual taxpayers, taxable personal property will normally consist of motor vehicles, boats, and any bond holdings. For businesses, the list of taxable personal property includes, but is not limited to, inventories, machinery and equipment, furniture and fixtures, and accounts receivable.

ASSESSMENT PROCEDURES

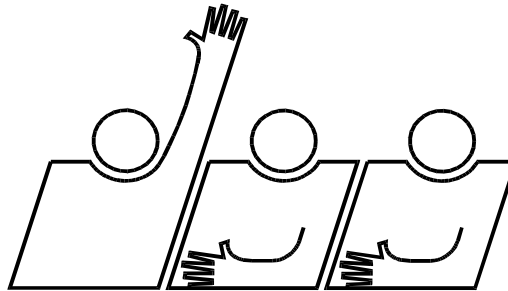


With the exception of motor vehicles and boats, personal property assessments are usually derived from taxpayer prepared tangible and intangible personal property tax returns. If the reported assessments are accepted by the property valuation administrator (PVA), no notice will be sent to the property owner and the tax bill will be based on the assessments listed on the return. If the PVA

does not accept the reported assessments, a notice of the PVA's assessed value must be sent to the property owner. Tangible and intangible personal property tax returns are subject to audit and review by the Kentucky Department of Revenue. Under-reporting can result in additional penalties and interest.

Motor vehicle and boat assessments are computed based upon standardized national motor vehicle and boat value publications. A notice of the assessed value is included on the tax bill which is mailed to the property owner approximately 45 days prior to the due date of the tax bill.

FILING THE APPEAL



Appeals of personal property assessments are **not** filed with the local board of assessment appeals as are real property appeals. The first step to take when you disagree with a personal property assessed value is to contact the PVA office and try to resolve the matter. If no agreement can be reached with the local PVA, a written appeal should be sent to the following address:

*Kentucky Department of Revenue
Office of Property Valuation
Division of State Valuation
200 Fair Oaks Lane, Station 32
Frankfort, KY 40620*

The appeal should include a statement setting forth the grounds upon which the protest is made and the property owner's opinion of value. The statement should also include a complete description of the property, the original cost, the date of acquisition, and the condition of the property. A personal property assessment must be protested within 45 days from the date of the assessment notice or the original assessment becomes final.

CONFERENCE PROCEDURES

Upon receipt of a timely filed appeal, a conference will be scheduled between the property owner and Department of Revenue personnel. The conference may be conducted in Frankfort, at a prearranged site or over the telephone. Additionally, the property owner may send a representative to the conference.

At the conference, attempts will be made to resolve all issues of controversy. If necessary, financial audits and field investigations may be conducted to aid in the resolution of a case.

If the issues of protest cannot be resolved, a final ruling notice will be prepared and mailed to the property owner. The notice will state that it is a final ruling of the Department of Revenue, list the issues in

controversy, the department's position on those issues, and the procedures to follow in filing an appeal with the Kentucky Board of Tax Appeals.

PAYMENT OF TAXES WHILE APPEAL IS PENDING

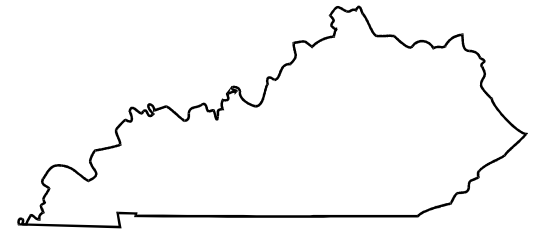
KRS 132.486 was amended in 1998 to state "No appeal shall delay the collection or payment of taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which the taxpayer claims as true value as stated in a protest filed under KRS 131.110. When the valuation is finally determined upon appeal, the taxpayer shall be billed for any additional tax and interest at the tax rate as defined in KRS 131.010(6), from the date the tax would have been due if no appeal had been taken."

MORE INFORMATION

Property owners with questions about the personal property assessment appeal process can contact their local PVA office or the Office of Property Valuation, Division of State Valuation, 200 Fair Oaks Lane, Station 32, Frankfort, KY 40620 or call (502) 564-2557.

The Kentucky Department of Revenue does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

APPEALS PROCESS FOR PERSONAL PROPERTY ASSESSMENTS



**Commonwealth of Kentucky
Department of Revenue
Office of Property Valuation**