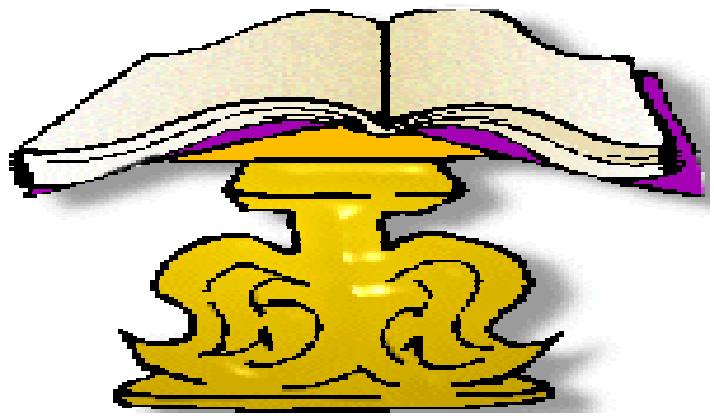
Authority

Washington State Constitution Article VII Section I

…All taxes shall be uniform upon the same class of property…and shall be levied and collected for public purposes only. Tangible and Intangible.



Personal Property vs Real Property

The chief characteristic distinguishing personal property from real property is **mobility**. *Land improvements to land are generally considered real property. Unless specifically exempt by law, all other property is taxable as personal property.*

- Defined - RCW 84.04.080

(See web site: www.leg.wa.gov/wsladm/rcw.htm)

Exemptions

- Household Goods & Furnishings

  "All household goods and furnishings in actual use by the owner thereof in equipping and outfitting his or her residence or place of abode and not for sale or commercial use" shall be exempt from taxation. (RCW 84.36.110)

- $15,000 Head of Household – Sole Proprietor only

  - Defined – RCW 84.36.110

Tangible Personal Property

- Machinery & Equipment (M&E)
- Furniture & Fixtures (F&F)
- Tools
- Leased Equipment
- Art Work
- Leasehold improvements

Intangible Personal Property

In 1997 the legislature exempted intangible personal property from tax assessment. The exemption now includes, but is not limited to:

- Trademark
- Patents
- Copyrights
- Goodwill
- Personal Service Contract

Computer Software

- Custom software is exempt
- Canned software purchased prior to 1997 is exempt
- Embedded software is taxable and shall be valued as an integral part of the computer system, machinery or equipment in which it is housed, at the established life of the equipment

Personal Property Taxes

- Personal Property Tax is levied at the same rate as real property
- The tax rate is varied by physical location and dependent on the number of levies placed in that jurisdiction

ASSESSMENT DATE

All personal property, subject to tax, is listed and assessed every year with reference to its value on **January 1** of the assessment year

Personal Property Calendar
Key Dates in the Assessment Process

January 1	All taxable personal property is assessed every year with reference to its value and ownership on this date
April 30	Deadline for returning the annual personal property listing to the county assessor
April 30	First half taxes on personal property are due
July 1	Last day to file an appeal of assessed value with the County Board of Equalization
October 31	Second half taxes on personal property are due

Personal Property Reporting

- Washington State uses a self-reporting system to assess personal property
- The list requirements (reported on the affidavit) include the description of the property, its total cost, and the year of acquisition