



# FILE ON OR BEFORE JANUARY 31, 2023

• **COMPLETE AND RETURN TO:**  
LINCOLN COUNTY  
Office of the Tax Administrator  
Business Section  
100 East Main Street  
LINCOLN, N.C. 28092  
www.lincolncounty.org  
fax 704-748-2220

## 2023 BUSINESS PROPERTY LISTING INSTRUCTIONS FOR PREPARATION AND FILING

### Commonly Asked Questions

#### Who must file a listing, and what do I list?

Any individual(s) or business(es) owning or possessing personal property used or connected with a business or other income-producing purpose on January 1. Temporary absence of personal property from the place at which it is normally taxable shall not affect this rule. For example, a lawn tractor used for personal use to mow the lawn at your home is not listed. However, a lawn tractor used as part of a landscaping business in this county must be listed if the lawn tractor is normally in this county, even if it happens to be in another state or county on January 1.

NCGS §105-308 reads that.. "any person whose duty it is to list any property who willfully fails or refuses to list the same within the time prescribed by law shall be guilty of a Class 2 misdemeanor. The failure to list shall be prima facie evidence that the failure was willful." A class 2 misdemeanor is punishable by imprisonment of up to 60 days.

**ALL LISTINGS ARE SUBJECT TO AUDIT AT ANY TIME.** Returns are routinely compared to State tax returns as filed with the North Carolina Department of Revenue. Willful Failure to list, or removal or concealment of property to evade taxation is punishable by a fine not to exceed \$500.00 or imprisonment not to exceed six (6) months.

#### When and where to list?

**Listings are due on or before January 31.** File in person at 311 E. Marion St., Shelby NC, Room 116 or by mail to Cleveland County Assessor, Business Section, P.O. Box 370, Shelby NC 28151-0370.

Listings and extension requests submitted by mail shall be deemed to be filed as of the date shown on a 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, items submitted by mail are considered filed when received in the office of the assessor. Late listings are subject to statutory penalty.

#### How do I list? -- Two important rules:

- (1) Read these INSTRUCTIONS for each Schedule or Group.
- (2) If a Schedule or Group does not apply to you, indicate so on the listing form with an "N/A" or Not Applicable. **DO NOT LEAVE A SECTION BLANK.** A listing form may be rejected for these reasons and could result in late listing penalties.

#### INFORMATION SECTION

Complete all sections at the top of the form, whether or not they are specifically addressed in these INSTRUCTIONS. Attach additional sheets if necessary.

- (1) Physical address: Please note here the location of the property. The actual physical location may be different from the mailing address. Post Office Boxes are not acceptable.
- (2) Principal Business in this County: What does the listed business do? For example: Tobacco Farmer, Manufacture electrical appliances, Laundromat, Restaurant. Enter NAICS code if known.
- (3) Other N.C. Counties where personal property is located: If your business has property normally located in other counties, list those counties here.

(4) Contact person for audit: In case the county tax office needs additional information, or to verify the information listed, list the person to be contacted here.

(5) If out of business: If the business we have sent this form to has closed, please complete this section and attach any additional information regarding the sale of the property.

(6) Make any necessary address changes.

#### Schedule A

The year acquired column: The rows which begin "2022" are the rows in which you report property acquired during the calendar year 2022. Other years follow the same format.

Schedule A is divided into eight (8) groups. Each is addressed below. Some counties may have the column "Prior Years Cost" pre-printed. This column should contain the cost information from last year's listing. If it does not, please complete this column, referring back to your last year's listing. List under "Current Year's Cost" the 100% cost of all depreciable personal property in your possession on January 1. Include all fully depreciated assets as well. Round amounts to the nearest dollar. Use the "Additions" and "Deletions" column to explain changes from "Prior Yr. Cost" to "Current Yr. Cost". The "Prior Year's Cost" plus "Additions" minus "Deletions" should equal "Current Year's Cost". If there are any additions and/or deletions, please note those under schedule D, Acquisitions and Disposals Detail. If the deletion is a transferred or paid-out lease, please note this, and to whom the property was transferred.

**COST** - Note that cost information you provide must include all costs associated with the acquisition as well as the costs associated with bringing that property into operation. These costs may include, but are not limited to invoice cost, trade-in allowances, freight, installation costs, sales tax, and construction period interest.

The cost figures reported should be historical cost, that is, the original cost of an item when first purchased, even if it was first purchased by someone other than the current owner. For example, you, the current owner, may have purchased equipment in 2022 for \$250, but the individual you purchased the equipment from acquired the equipment in 2014 for \$1000. You, the current owner, should report the property as acquired in 2014 for \$1000 and then the assets will be depreciated based upon its age.

Property should be reported at its market cost at the retail level of trade. For example, a manufacturer of computers can make a certain model for \$1000 total cost. It is typically available to any retail customer for \$2000. If the manufacturer uses the model for business purposes, he should report the computer at it's market cost at the retail level of trade, which is \$2000, not the \$1000 it actually cost the manufacturer. Leasing companies must list property they lease at the retail trade level, even if their actual cost is at the manufacturer.

**(INSTRUCTIONS CONTINUE ON REVERSE SIDE)**

**Group (1) Machinery & Equipment**

This is the group used for reporting the cost of all machinery and equipment. This includes all warehouse and packaging equipment as well as manufacturing equipment production lines, hi-tech or low-tech. List the total cost by year of acquisition, including fully depreciated assets that are still connected with the business.

For example, a manufacturer of textiles purchased a knitting machine in October 2022 for \$10,000. The sales tax was \$200, shipping charges were \$200, and installation costs were \$200. The total cost that the manufacturer should report is \$10,600, if there were no other costs incurred. The \$10,600 should be added in group (1) to the 2022 current year's cost column.

**Group (2) Office Furniture & Fixtures**

This group is for reporting the costs of all furniture & fixtures and small office machines used in the business operations. This includes, but is not limited to, file cabinets, desks, chairs, adding machines, curtains, blinds, ceiling fans, window air conditioners, telephones, intercom systems, and burglar alarm systems.

**Group (3) Computer Equipment**

This group is for reporting the costs of non-production computers & peripherals. This includes, but is not limited to, personal computers, midrange, or mainframes, as well as the monitors, printers, scanners, magnetic storage devices, cables, & other peripherals associated with those computers. **Note: The development cost of software or any modification cost to software, whether done internally by the taxpayer or externally by a third party to meet the customer's specified needs is excluded and should not be reported.** This does not include high-tech equipment such as proprietary computerized point of sale equipment or high-tech medical equipment, or computer controlled equipment, or the high-tech computer components that control the equipment. This type of equipment would be included in Group (1) or "other".

**Group (4) Leasehold Improvements**

This group includes real estate improvements to leased property contracted for, installed, and paid for by the lessee which may remain with the real estate, thereby becoming an integral part of the leased fee real estate upon expiration or termination of the current lease, but which are the property of the current lessee who installed it (Examples are lavatories installed by lessee in a barber shop, special lighting, or dropped ceiling.) If you have no leasehold improvements, write "none."

**Group (5) Expensed Items**

This group is for reporting any assets which would typically be capitalized, but due to the business' capitalization threshold, they have been expensed. Section 179 expensed items should be included in the appropriate group (1) through (4). Fill in the blank which asks for your business' "Capitalization Threshold." If you have no expensed item write "none".

**Group (6) Other**

This group will not be used unless instructed by the County Tax Department.

**Group (7) Construction in Progress (CIP)**

CIP is business personal property which is under construction on January 1. The accountant will typically not capitalize the assets under construction until all of the costs associated with the asset are known. In the interim period, the accountant will typically maintain the costs of the asset in a CIP account. The total of this account represents investment in tangible personal property, and is to be listed with the other capital assets of the business during the listing period. List in detail. If you have no CIP, write "none".

**Group (8) Supplies**

Almost all businesses have supplies. These include normal business operating supplies. The "TYPE" column is for, but not limited to the following "types" of supplies: OFFICE SUPPLIES, MAINTENANCE & JANITORIAL SUPPLIES, MEDICAL, DENTAL, OR OTHER PROFESSIONAL SUPPLIES, BEAUTY & BARBER SHOP SUPPLIES, FUELS OF ALL KINDS, EQUIPMENT SPARE PARTS, HOTEL & MOTEL SUPPLIES. List the type and cost on hand as of January 1. Remember, the temporary absence of property on January 1 does not mean it should not be listed if that property is normally present. Supplies that are immediately consumed in the manufacturing process or that become a part of the property being sold, such as packaging materials, or raw materials for a manufacturer, do not have to be listed. Even though inventory is exempt, supplies are not. Even if a business carries supplies in an inventory account, they remain taxable.

**SCHEDULE B VEHICULAR EQUIPMENT - ATTACH ADDITIONAL SCHEDULES IF NECESSARY**

**Group (1) Unregistered Motor Vehicles and IRP plated vehicles, permanent or multi-year registered trailers.**

This category is for these type motor vehicles only. Effective January 1, 2014, IRP plated vehicles (international Registration Plan) are required to be listed with the county as part of the business personal property listing form process. **DO NOT** list motor vehicles with a current North Carolina Registration. If the vehicle is located in North Carolina, but has another state's tag, list them here. Also list any motor vehicles which are not registered at all, or semi-trailers or trailers registered on a multi-year and permanent basis. **ATTACH A SEPARATE SHEET IF NEEDED..**

**Group (2),(3),(4) should be listed as appropriate.**

**SCHEDULE C PROPERTY IN YOUR POSSESSION, BUT OWNED BY OTHERS**

If on January 1, you have in your possession any business machines, 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 and ownership of the property should be reported in this section. This information is for office use only. Assessments will be made to the owner/lessor. If you have already filed the January 15th report required by §105-315, so indicate. If you have none, write "none" in this section. If property is held by a lessee under a "capital lease" where there is a conditional sales contract, or if title to the property will transfer at the end of the lease due to a nominal "purchase upon termination" fee, then the lessee is responsible for listing under the appropriate group.

**SCHEDULES D ACQUISITIONS AND/OR DISPOSALS**

All machinery, equipment, furniture, fixtures, etc. acquired since January 1 of the prior year must be itemized showing the total installed cost of each item. In addition, all disposals made since January 1 of the prior year must be itemized in detail in the appropriate columns. Important: **ACQUISITION YEAR AND ORIGINAL COST MUST BE GIVEN FOR DISPOSALS.** An additional schedule may be attached if necessary.

**AFFIRMATION**

If the form is not signed by an authorized person, it will be rejected and could be subject to penalties. This section describes who may sign the listing form.

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. Any other indication of the date mailed (such as your own postage meter) is not considered and the listing shall be deemed to be filed when received in the office of the tax assessor.

Electronic listing has not been authorized for Cleveland County. Listings and extension requests submitted electronically or by fax will not be accepted.

Any person who willfully attempts, or who willfully aids or abets any person to attempt, in any manner to evade or defeat the taxes imposed under this Subchapter (of the Revenue laws), whether by removal or concealment of property or otherwise, shall be guilty of a Class 2 misdemeanor. (Punishable by imprisonment up to 60 days)

**EXTENSIONS**

For reasons of good cause, extensions of time in which to list may be obtained by sending a written request in duplicate to the Tax Department by January 31. Extensions will not be granted by telephone. No extensions will be granted for listing of real property. Local practice restricts business listing extensions beyond mid-April.

**APPLICATION FOR BUSINESS PROPERTY TAX EXEMPTION**

Under the provisions of N.C.G.S. 105-282.1 and 105-330.3 (b), every owner of the types of property described below claiming exemption or exclusion from property taxes thereon must demonstrate that it meets the statutory requirements for exemption or classification. For classifications, captioned (1) through (5) below, claims for exemption or exclusion must be annually filed with the County Assessor during the January listing period (or approved extension thereof). Effective in 1993, applications for vehicles subject to exemption must be filed one time with the Assessor, and within 30 days from the date of registration renewal or application fro title if the vehicle is newly registered. Exemption Applications for unregistered vehicles are due in January. Unless the Assessor is notified, there are severe penalties for operating exempted vehicles in a manner that is not wholly and exclusively covered by exemption conditions.

- (1) Imported property held at seaport terminal
- (2) Special nuclear materials
- (3) Property used for pollution abatement
- (4) Property used primarily for recycling or resource recovery
- (5) Property shipped into this state for the purposes of repair, alteration, maintenance or servicing and reshipment to the owner outside this state.
- (6) Vehicles qualifying by various statutes.

Application for business property tax exemption (Form AV-12) and vehicles (Form AV-10V) may be obtained by contacting the County Tax Department. The Business Property Return or extension request must be filed on or before January 31.

**ADDITIONAL FORMS AND INFORMATION ARE AVAILABLE ON OUR WEBSITE AT [www.lincolncounty.org](http://www.lincolncounty.org)**

**CHANGES TO REAL PROPERTY**

<p>Owner or Corp. Name _____</p> <p>DBA _____</p> <p>Address _____</p> <p>State _____</p>	<p>Person to Contact for Additional Information</p> <p>Name _____</p> <p>Address _____</p> <p>Phone Number _____</p>	
<p>Additions and/or deletions: (specify which) Brief Description</p>	<p>Construction Cost</p>	<p>% Complete January 1, 2023</p>

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