Applicable Personal Property Codes
Due May 15, 2020

Business Personal Property Exemption from Property Tax under Utah Code Annotated Section 59-2-1115

Tangible personal property of a taxpayer is exempt from taxation if the property has a total value for 2020 of $15,000 or less. **Important note:** This exemption is determined by ownership. If you have tangible personal property at different locations and file more than one personal property statement in Davis County, your eligibility will be determined based on the total value of all tangible personal property at all locations using the same FEIN. Exemption will not be given when we have had to estimate the value of your equipment and you have not filed a list of your equipment as required. Taxpayer must sign for exemption in appropriate section provided on the front page of the Personal Property Statement and return paperwork to our office no later than **May 15, 2020.** If prior year's taxes are outstanding, no exemption will be given unless payment for delinquent taxes accompanies the filing statement.

Exemption of individual item of personal property per Utah Code 59-2-1115

An item of taxable tangible personal property is exempt from taxation in 2020 if the **"acquisition cost"** (*see definition below) of that **"item"** **see definition below) was $1,000 or less and is currently valued at a percent good of 15% or less. The exemption **only applies** to personal property valued by personal property schedules having reached a percent good rate of 15% or less. Please note the definition of an item of taxable tangible personal property and what should be included in acquisition cost.

Definitions:

***Acquisition Cost defined (Utah Code Annotated 59-2-108):**

Acquisition Cost must include all costs required to put an item into service. These costs include the following costs:

1. The purchase price for a new or used item;
2. The cost of freight and shipping. Shipping costs includes, loading at origin, unloading at destination, crating, skidding and other applicable costs;
3. The cost of installation, engineering, erection, or assembly. Erection and assembly includes foundations, pilings, utility connections, and any other costs.
4. Sales and use taxes.
5. Any other costs related to putting an item of personal property into service are to be included in acquisition costs.

****Item of Taxable Tangible Personal Property is defined as (Admin Rule R884-24P-33(1) (d) :**

A piece of equipment, machinery, furniture, or other piece of tangible personal property that is functioning at its highest and best use for the purpose for which it was designed and constructed and is generally capable of performing that function without being combined with other items of personal property. An item of taxable tangible personal property is not an individual component part of a piece of machinery or equipment, but the piece of machinery or equipment. For example, a fully functioning computer is an item of taxable tangible personal property but the motherboard, hard drive, tower or sound card are not.

Utah Code Annotated 59-2-108

Class 28: Non-Capitalized Personal Property: Non Capitalized Personal Property is an item of machinery, equipment, furniture, computers, or any other tangible personal property that the acquisition cost has been totally expensed or written off in the year of acquisition. Any item of personal property whose acquisition cost is or has been depreciated using MACRS, Straight Line, or ACRS over several years for federal tax purposes does not qualify as being treated as Non-Capitalized Personal Property (Class 28)