

Completing the Personal Property Statement (Form L-4175)

Page 1 General Information:

Insert the appropriate information in the space provided. If not applicable for your business write “n/a”.
(TIP): For a listing of NAICS codes please visit the following website: [North American Industry Classification System](#).

Page 1 Summary & Certification Questions:

Line 1: “Exempt special tools” are devices such as dies, jigs, molds and patterns, etc. that are used to manufacture only one specific product and cannot be used to produce another product without substantial modification. Otherwise, they are standard tooling and should be reported on page three, section H. If you have such tools you must check “yes” and insert the original cost of these tools, otherwise check “No”. (TIP): Special tools are strictly construed, so it is advisable that you attach an itemized listing of the tools including original cost, year of acquisition and net book values. Also, be sure to indicate the product the tool produces. E-filers click on the “upload files” tab to attach documents with your filing.

Line 2: Air/water pollution control and wind/water energy conversion exemptions only apply to equipment that has an exemption certificate from the State of Michigan. If you have such equipment you must check “yes” and include an itemized listing of the items, otherwise check “No”. (TIP): It is advisable that you include a copy of the exemption certificate for substantiation. E-filers click on the “upload files” tab to attach documents with your filing.

Line 3: You must report all personal property items to the Assessor of the jurisdiction in which they are located on December 31st of the prior year. If you check “no” you must provide an explanation. (TIP): If you are unsure of what jurisdiction the property is located visit [www.accesskent.com](#) for on-line services property search. This site will provide the correct jurisdiction based on the location information you provide. E-filers click on the “upload files” tab to attach documents with your filing.

Line 4: If you hold only a security interest in the personal property check “yes” and attach an itemized listing of the items including a description, original year, original cost and location of the assets, otherwise check “no”. You must also list the name of the party you believe to be responsible for reporting this property. (TIP): E-filers click on the “upload files” tab to attach documents with your filing.

Line 5: If you are a lessor (landlord) or lessee (tenant) to a real property lease or rental agreement you must check “yes” and complete section O – Rental Information on page 4, otherwise check “no”.

Line 6: If you have purchased used assets (you are not the original owner), a lease buyout, or acquired assets of an existing business, check “yes”. Note: you must report the original cost of the asset(s) in the year it was new. Even if you have a “fresh start”, “allocated”, “rebooked” or “buyout” cost in your accounting of the asset(s), you must report original costs. (TIP): For this reason it is advisable to obtain a copy of a fixed asset schedule or original purchase documentation from the previous owner to ensure proper reporting in the future. If you are unable to obtain original cost information you must include a detailed description of each asset, its estimated age, and the amount you have reported for each. E-filers click on the “upload files” tab to attach documents with your filing.

Line 7: If you have assets that are commonly rented on an hourly, daily, weekly or monthly basis with an original cost of \$10,000 or less you are permitted to report such property at the location of the rental business rather than where it is physically located on tax day. This property is reported on form 3595 – Itemized Listing of Daily Rental Property. If you have such property check “yes”, otherwise check “no”. You must also report these totals in the appropriate section & year on page two of the Personal Property Statement.

Line 8: You are required to report all personal property, even if it has been fully depreciated or expensed for income tax or financial accounting purposes. Check “yes” if you have reported such items, otherwise check “no” and explain. (TIP): Many accountants will remove or “write off” assets from the books once they have been fully depreciated. It is advisable to keep a separate schedule that also includes expensed and fully depreciated assets for personal property reporting purposes. E-filers click on the “upload files” tab to attach documents with your filing.

Line 9: If there are other businesses operating at your location check “yes” and provide a listing of those businesses, otherwise check “no”. (TIP): Tenants in a multi-tenant office building or business complex do not need to provide a listing of unrelated businesses outside of their occupied space. E-filers click on the “upload files” tab to attach documents with your filing.

Line 10: Record totals from page 2.

Line 11: Record totals from page 3.

Line 12: Record totals from page 4.

Line 13: Enter the total cost of Idle Equipment (from form 2698). Report all idle, obsolete or surplus equipment in the appropriate year and section on form 2698. These assets are allowed an additional 60% of depreciation for assessment valuation purposes. To qualify, the property must be in the process of being disposed, disconnected and stored in a separate location (or idle in-place) and is not or will no longer be utilized, even on a standby basis. (TIP): Standby or seasonal equipment does not qualify for this depreciation treatment. Report the totals from form 2698 on page1, line 13. Assets reported as Idle, obsolete or surplus should NOT be reported in sections A – F of the Personal Property Statement.

Line 14: Record the total accrued costs of personal property construction in progress. These are assets that have never been in service and were in the process of being installed or set-up on tax day (prior December 31st).

Line15: If you are reporting cable television or utility assets you must complete form 3589 – Cable Television and Public Utility Property, Form 633 – Electric Distribution Property or form 4565 – Wind Energy System Property and carry total(s) to page 1, line 15.

Line 16: If you are reporting cellular site equipment you must complete form 4452 – Cellular Site Equipment Property and carry the total to page1, line 16.

Page 2 Sections A thru F – Personal Property Reporting:

Did you have Move-Ins? Move-Ins are personal property items that were not previously assessed in the City of Grand Rapids. They include purchases of used property moved into the City of Grand Rapids from a location outside the city, property that was previously exempt (example: expired IFT assets) or property that was mistakenly omitted from prior year personal property statements. Move-Ins DO NOT include new items or items that were already located WITHIN the city and previously assessed to another taxpayer within the city. (example: property acquired from an existing business or off-lease property previously assessed to the lessor or another taxpayer). If you have such items check “yes” and report them in the appropriate section(s) A – F and on form 3966 – Taxpayer Report of Personal Property Move-Ins, otherwise check “no”.

For all property you must report full acquisition costs new including sales tax, delivery & installation costs, even if some/all of these costs were incurred by others on your behalf (such as free items). Property must be reported in the appropriate section (see categories below) in the year it was new. (TIP): If you acquired used assets you must report ORIGINAL costs from ORIGINAL owner, if known. DO NOT report your purchased cost in the year you purchased the asset. If you are unable to obtain original cost information you must include a detailed description of each asset, its estimated age, and the amount you have reported for each. Be sure to include all fully depreciated and expensed (refer to question #8 from page 1) assets as well as full costs associated with self-constructed assets. (TIP): If you have significant differences in amounts reported from prior year(s), such as a reduction due to downsizing or an increase due to expansion or move-ins, we encourage you to attach a brief letter of explanation. This may alleviate the need for an Auditor to contact you and request information at a later time. E-filers click on the “upload files” tab to attach documents with your filing.

The majority of personal property assets are reported on page two and fall into one of the six categories listed below. For each section record the total cost new for each year where applicable. Then record the totals for each section and grand total at the bottom of the page. (TIP): You do not need to complete the Assessor Calculations unless you wish to do so for your own information.

Personal Property Categories:

Section A:	Furniture & Fixtures
Section B:	Machinery & Equipment
Section C:	Rental Videotapes & Games
Section D:	Office, Electronic Video & Testing Equipment
Section E:	Consumer Coin Operated Equipment
Section F:	Computer & Peripheral Equipment

(TIP): The personal property statement instructions give examples of where to report the most common assets. For a more comprehensive listing refer to [STC Bulletin No. 12 of 1999](#).

Page 3 Sections G – K:

Section G: Other Assessable Personal Property Which You Own

In this section report assets that are not subject to depreciation under Generally Accepted Accounting Principles. Examples of items reported in this section are fine art, professional books, motion picture films or items that present special valuation problems. Attach additional sheets if necessary. Property reported in this section should not be reported elsewhere on this form. (TIP): Include a detailed description and any other information that you believe would be relevant for the Assessor to consider in valuing this property. E-filers click on the “upload files” tab to attach documents with your filing.

Section H: Standard Tooling

In this section report all tools, dies, jigs, molds, patterns and gauges (commonly referred to as “tooling”). You must report the acquisition cost, the year it was new and the GAAP net book values (NBV) for each. (TIP): Include an itemized schedule of these items that include a description, cost and NBV for each. This may alleviate the need for an Auditor to contact you and request information at a later time. E-filers click on the “upload files” tab to attach documents with your filing. Property reported in this section should not be reported elsewhere on this form. Do not report special tools in this section.

Section I: Qualified Personal Property

“Qualified personal property” is leased from a “qualified business”, usually a leasing or finance company. However, most leasing and finance companies are not qualified businesses as they must meet strict requirements. Normally you will be notified by that company if they are a qualified business. (TIP): Since there are very few qualified businesses, most leased property will be reported in section J, rather than in this section. If you are unsure, contact the leasing or finance company. Attach additional sheets if necessary. Property reported in this section should not be reported elsewhere on this form. E-filers click on the “upload files” tab to attach documents with your filing.

Section J: Leased Property in Your Possession

In this section report all leased property (except “qualified personal property” listed in section I). Provide all information requested. You may estimate the selling price if unknown. You are not assessed for this property as it is assessed to the actual owner (lessor), rather than the user (lessee). It is for informational purposes to the Assessor. Attach additional sheets if necessary. Property reported in this section should not be reported elsewhere on this form. E-filers click on the “upload files” tab to attach documents with your filing.

Section K: Other Personal Property in Your Possession Which You Do Not Own

In this section report all personal property items in your possession that are not owned, leased or rented by you. Examples include items being stored, on loan or sold but not yet picked up by the purchaser. You must provide the name and address of the owner, a description, age and cost of the property in your possession. You may estimate age and cost if unknown. Attach additional sheets if necessary. You are not assessed for this property as it is assessed to the actual owner, rather than the lessee. Property reported in this section should not be reported elsewhere on this form. E-filers click on the “upload files” tab to attach documents with your filing.

Page 4 Sections L – O:

Section L: Detail of Leases (To Be Completed by Leasing Companies Only)

This section is completed by leasing companies only. You must provide the information requested for all leased property located in the jurisdiction. Attach additional sheets if necessary. Property reported in this section should also be reported in the proper section on page two.

Section M: Leasehold Improvements

All leasehold improvements made by you at your place of business should be reported in this section, even if you believe the improvements to be real property. (TIP): Attach a copy of a fixed asset schedule or similar report that includes a description, date of installation and cost. Provide as much detail as possible. This will provide the Assessor with the necessary information to properly value and classify the items rather than estimate. E-filers click on the "upload files" tab to attach documents with your filing.

Section N: Buildings and Other Structures on Leased Land

Report the total capitalized cost and year of construction of buildings and other structures you have placed on land not owned by you. Examples of items reported here are freestanding communication towers and associated equipment buildings, freestanding billboards and other buildings on lease land.

Section O: Rental Information

If you answered yes to question #5 on page 1 complete the information as requested. Do not report lease or rental arrangements relating to property occupied for residential purposes. This section is for informational purposes and you are not assessed for the data provided.