

## WHAT IF I DON'T FILE A BUSINESS PROPERTY STATEMENT?

If you do not file the Business Property Statement as requested by the Assessor, we are required by law to estimate the value of your property based on the best information available. In addition to your assessment you will be assessed a 10% penalty for failure to file.

## DOES THIS APPLY TO MY BOAT OR PLANE?

The answer is the same. While you might not necessarily be required to complete and submit a business property statement, if you owned, possessed or had control of a boat or aircraft as of 12:01, January 1st, you will still be assessed and will be responsible for the payment of the property tax bill.

## I TRAVEL IN MY BOAT. WHAT IF I'M NOT IN SAN MATEO COUNTY ON JANUARY 1?

We would be likely to assess your boat if this county is where it is most of the time. It would probably be a good idea for you to call our office at (650) 363-4501 and ask to speak with the person who handles the marine assessments.

## HOW MUCH WILL THE TAX BE?

For businesses, boats and aircraft, the tax is 1% of the assessed value. However, your tax bill may also include special assessments voted in by voters or their representatives within the property's taxing jurisdiction. You can estimate that the taxes will be 1.2% of the assessed value. Unlike real estate, under the law there is no provision for the pro-ration of unsecured property taxes. Property tax is payable by August 31 annually and delinquent after that date.

## DO YOU DO AUDITS LIKE THE IRS DOES?

Yes. A new law was recently enacted and will become effective January 1, 2009. It removes the previous requirement that only businesses with a full value of \$400,000 or more be audited. The new law states in part that "...the assessor shall conduct a significant number of audits of the books and records of taxpayers engaged in a profession, trade, or business... in this county to encourage the accurate and proper reporting of property."

## WHAT IS THE PURPOSE OF THE AUDIT?

The purpose of an audit is to determine whether existing assessments are accurate and to clarify correct reporting procedures for the business owner.

## WHAT IF I DISAGREE WITH THE FINDINGS OR WITH MY ASSESSMENT?

Within 10 days of receiving a notice of audit findings or tax notification, you may notify us that you disagree with our valuation. You and an auditor will review your claim and any supporting information you can provide. If we can reach an agreement, we will adjust your assessment. If we cannot agree, we'll help you apply to the County Assessment Appeals Board.

This independent panel of three private citizens, appointed by the Board of Supervisors, will review our valuation, following a formal hearing where we both may submit evidence. Appeals from annual assessments may be filed from July 2 to November 30. Appeals on supplemental assessments (issued following a change in ownership or completion of new construction) may be filed within 60 days of the date of the notice of supplemental assessment.

*(Published January 2009. Information subject to change.)*

## CONTACT INFORMATION

### ASSESSOR

[www.smcare.org](http://www.smcare.org)

e-mail: [assessor@smcare.org](mailto:assessor@smcare.org)

### REAL PROPERTY

Owner & Parcel Info .....650.363.4500

Exemptions .....650.363.4771

Maps .....650.363.4502

Recorded Document Info .....650.363.4500

### BUSINESS PROPERTY

Business Account Info .....650.363.4501

Boat & Aircraft .....650.363.4501

### ASSESSMENT APPEALS BOARD

[www.co.sanmateo.ca.us/assessmentappeals](http://www.co.sanmateo.ca.us/assessmentappeals)

Appeals Board .....650.363.4573

### CONTROLLER

[www.co.sanmateo.ca.us/controller](http://www.co.sanmateo.ca.us/controller)

Tax Rates .....650.363.4777

### TAX COLLECTOR

[www.co.sanmateo.ca.us/taxcollector](http://www.co.sanmateo.ca.us/taxcollector)

Tax Bills & Payments .....650.363.4142

### STATE OF CALIFORNIA

Controller .....800.952.5661

[www.sco.ca.gov](http://www.sco.ca.gov)

Franchise Tax Board .....800.852.5711

[www.ftb.ca.gov](http://www.ftb.ca.gov)

Board of Equalization .....800.400.7115

[www.boe.ca.gov](http://www.boe.ca.gov)

SAN MATEO COUNTY  
ASSESSOR-COUNTY CLERK-RECORDER-ELECTIONS

555 County Center

Redwood City, CA 94063

650.363.4500

[www.smcare.org](http://www.smcare.org)

Monday-Friday 8:00 a.m. - 5:00 p.m.



## BUSINESS, BOAT & AIRCRAFT OWNER ASSESSMENT INFORMATION



Warren Slocum  
Chief Elections Officer &  
Assessor-County Clerk-Recorder

County of San Mateo  
555 County Center  
Redwood City, California 94063  
650.363.4500

SAN MATEO COUNTY

# What do you mean, “Business/Personal Property Tax?!”

## INFORMATION FOR BUSINESS, AIRPLANE AND BOAT OWNERS

Most people know about paying property tax on the real estate that they own. However, not all business, airplane and boat owners are aware of how the Revenue and Taxation Code statutes affect them. Let’s take a look at what we mean.

According to the law (Article XIII of the California Constitution) “...unless otherwise provided...all property is taxable and shall be assessed at the same percentage of fair market value.” The Revenue & Taxation Code goes on to explain that “...the assessor shall assess all property subject to general taxation on the lien date...” as provided by the California Constitution.

## DOES THAT MEAN THAT IT APPLIES TO MY BUSINESS? MY AIRPLANE? MY BOAT?

Probably so. The California Constitution lists “exemptions” from property tax and here are a few of them:

- State-owned property
- Property owned by a local government
- Free public libraries and property used exclusively for public schools
- Buildings, land on which they are situated, and equipment that are used exclusively for religious worship
- Growing crops
- Household furnishings and personal effects not held or used in connection with a trade, profession, or business

## WAIT A MINUTE, I ALREADY PAY TAXES ON MY BUSINESS TO THE IRS!

Yes, and that is a tax on the income that your business generates. A business or personal property tax is imposed on your business supplies, equipment, fixtures and improvements. Similarly, it is imposed on aircraft and boats.

## I USE MY BOAT FOR LEISURE ACTIVITIES, NOT BUSINESS. BESIDES, I ALREADY PAY A FEE TO THE DMV FOR MY BOAT.

Unless your boat is a licensed commercial fishing vessel, the law does not exempt it from property taxation. The fee that you pay to DMV is a registration fee and not a tax. It’s different.

## SO HOW DO YOU ASSESS MY BOAT/AIRCRAFT?

These are assessed annually. Price guides that have been approved by the State Board of Equalization are used to determine the market value. We identify the ownership and location of boats and aircraft with information we obtain from the Department of Motor Vehicles (DMV), the Federal Aviation Administration (FAA), information from marinas and airports and site inspections.

## WHAT ABOUT MY BUSINESS? HOW DO YOU ASSESS THAT?

Supplies, equipment and fixtures are assessed annually. Business owners must file a detailed statement of costs by location on a “Business Property Statement” (Form 571L) by April 1 every year. A late filing penalty (10% of the full cash value) applies if these statements are filed after May 7. This is a required annual filing – just like the annual IRS filing – only it’s for business property, not income.

## WHAT’S A “SUPPLY” ITEM?

Any item that you are consuming in your business, such as office supplies, pencils, paper, etc., is a supply item. If you are a manufacturer, supplies do not include anything that becomes a part of the finished product. You should report the cost of the supplies on hand as of 12:01 a.m., January 1. If you do not have an accurate record, you may estimate.

## THIS IS GETTING CONFUSING. WHERE DO I GET ONE OF THESE “BUSINESS PROPERTY STATEMENTS” (FORM 571L)?

We’ll send one to you. If you don’t receive one, just call our office at (650) 363-4501 and we’ll mail one to you. Alternatively, we publish the form along with instructions for completing it, on our website by February 1 every year. You can print one, fill it out and mail it in to us. Our website is [www.smcare.org](http://www.smcare.org). Completed business property statements are due to the Assessor’s Office on April 1 and delinquent if received after May 7.

## CAN’T I JUST FILL IT OUT ONLINE AND SUBMIT IT?

Large businesses (multiple locations in multiple California counties) and smaller businesses both have the ability to file their property statements electronically using the Standard Data Record (SDR) format specifically designed for this purpose. Large businesses must upload data electronically to a statewide server; small business owners must have a Business Identification Number (BIN) issued to them from their local assessor. For more information visit [www.calbpsfile.org](http://www.calbpsfile.org) or call our office at (650) 363-4501.

## I’M THINKING OF SELLING MY BUSINESS. WILL I STILL HAVE TO FILE?

Yes, if you were the business owner as of January 1, your filing should include the taxable business property and fixtures that you owned, possessed or had control of as of 12:01 a.m. on that date – even though you might subsequently sell the business.

