# ARIZONA AGRICULTURAL BUSINESS PROPERTY STATEMENT
# TAX YEAR 2019 INSTRUCTIONS

## GENERAL INFORMATION

All owners of personal property must file an Agricultural Business Property Statement if a form, notice, or demand has been sent by the Assessor. It must be filed annually by April 1. If April 1 falls on a Saturday, Sunday or legal holiday, the filing is due on the next business day. The term "Business Property" identifies property used for commercial, industrial, and agricultural purposes. It includes personal property improvements on possessory rights (I.P.R.'s), and certain leasehold improvements. Under Arizona law, all such property is subject to property taxes, except for certain goods and materials considered to be inventory and ultimately held for resale, and certain specified animals. Business property is valued at its full cash value as of the current year. Any difference in acquisition cost as found on the books and records from that reported will be considered escaped property. Escaped property may include under-reported or unreported property. Escaped property is subject to taxation, interest, and applicable penalties for a period of three years from the date the notice of escaped property was mailed by the Assessor.

If duplicate forms are received, contact the County Assessor. A separate return must be filed for each location. If the form is not addressed to the current business owner, return it to the Assessor's Office and request a corrected form.

- **EXEMPTION AMOUNT:** Pursuant to Arizona Revised Statute § 42-11127, for Tax Year 2019 the exemption for Commercial and Agricultural Business Personal Property is $176,003.
- **APPEAL PROCEDURES:** Any person who believes the valuation or property classification of agricultural business property to be erroneous or excessive may file an appeal with the Assessor. The Personal Property Petition for Review of Valuation Form (DOR 82530) is available at each County Assessor's Office.
- **PERSONAL PROPERTY MANUAL:** The Personal Property Manual and Form DOR 82530 are both available on the Department of Revenue website at http://www.azdor.gov.

## FORM INSTRUCTIONS

**SECTION 1: Do not make changes in the mailing address area.** Use section 1 for changes to the owner's name or address, or if this is a NEW AGRICULTURAL BUSINESS REPORTING FOR THE FIRST TIME. If you are reporting a new business or new location, it is necessary to report your business property as of the date your business began operations. It is also necessary to report your business property as of December 31, which becomes the basis for the next year's valuation.

**SECTION 2: DO NOT MAKE CORRECTIONS IN THIS SECTION.** Make corrections in Section 4 **ONLY.**

**NOTE: Enter your farm / ranch name and taxpayer/account number at the top of the reverse side of the DOR 82520A.**

**SECTION 3: DO NOT FILL IN - FOR ASSESSOR'S USE ONLY.**

**SECTION 4: ADDITIONS AND DELETIONS: SCHEDULE A THROUGH N.**

- **FOR ADDITIONS:** Enter the acquisition cost to the current owner for each classification of equipment acquired during the prior year which was owned, possessed, or controlled on December 31, 2018. Enter "A" in the A/D (Additions or Deletions) block for Schedules F and H. Attach a list of assets through December 31 of the prior year with the property description, acquisition cost and date acquired for: (1) a new business; (2) newly acquired assets; (3) equipment acquired during the prior year that was used when purchased (include the former owner's cost of acquisition, if known); (4) business property that was acquired in earlier years which was not reported. This list must clearly identify the items on the list as property acquired in earlier years and not reported on prior statements. By reporting such omissions, no penalty will be imposed.

- **FOR DELETIONS:** Enter the acquisition cost in the appropriate schedule and the year of acquisition for all property previously reported but disposed of through December 31. Enter "D" in the A/D block for Schedules F and H.

- **ADDITIONAL DEPRECIATION:** To determine the property's eligibility, it is necessary that it be identified as:

**Qualified:** **Agricultural business property initially assessed in Arizona in 1995 OR LATER** qualifies for additional depreciation. This does not include property that escaped taxation which should have been initially assessed prior to 1995.

**Non-Quali ied:** Examples include equipment transferred from another location in Arizona and used equipment purchased in Arizona. Property acquired through the purchase of a business may qualify if original cost basis used.

**SECTION 4 CONTINUED:**

**"ACQUISITION COST"** includes equipment cost plus costs such as freight and transaction privilege tax (sales/use tax). It also includes installation costs for such additional items as wiring, plumbing, air conditioning, or structural support required to accommodate the equipment. The report should include expensed and fully depreciated equipment remaining in your possession.

**Schedule B:** Tractors, combines, cotton harvesters, hay balers, forage harvesters and other self-propelled equipment.

**Schedule C:** All equipment, other than self-propelled machinery in Schedule B, used in the production of crops, livestock, and on-the-farm processing of feeds.

**Schedule E:** **Computers.** Computer equipment components include, but are not limited to: central processing units (CPU), modems, internal and external drives, printers, monitors and keyboards.

**Schedule F:** **Other Property.** Report business property not listed on any other schedule here. Examples of property to be listed here include: Advertising signs, warning signs, and video security equipment. **(If an income approach was used to value real property and the capitalized land leases included pumps and motors, report the original acquisition cost of the pumps and motors on this schedule and put PM next to the entry.)**

**Schedule H:** **Leasehold improvements.** Leasehold improvements are improvements owned by a tenant and used in the operation of a business. A detailed breakdown of the leasehold improvement acquisition cost is required to enable the Assessor to avoid duplicate assessment. Leasehold improvements include, but are not limited to: air conditioners, tenant improvements, draperies, process piping and special wiring, boilers (other than basic heat for buildings), and special foundations.

**Schedule M:** **Taxable Animals and Livestock.** It is not necessary to report animals or livestock that are exempt. All other animals or livestock not eligible for the specified animal exemption should be reported on this schedule.

**SECTION 5: ADDITIONAL INFORMATION REQUIRED:**

**LEASED OR RENTED PROPERTY.** List ALL leased or rented business property. Include the name and address of the owner or lessor, whether the property is an "Addition" or "Deletion," property description, lease number, date of lease, total cost, date acquired, and annual rent. Also indicate whether or not the property has been previously assessed in Arizona. A **"LEASE"** is a contract, usually in the form of a written agreement, giving the right to use the property for a certain length of time, usually by paying rent. The owner of the personal property is responsible for payment of the tax.

**UNOWNED PROPERTY.** Provide the name and address of the owner and a brief description of the property.

**GOVERNMENT-OWNED LAND.** If your agricultural business is located on government property, attach a list providing the name and address of the government agency.

**SECTION 6: AFFIRMATION OF PROPERTY STATEMENT AND CLAIM OF EXEMPTION:** The owner or agent must sign and date the DOR 82520A. Indicate the county in which you are claiming exemption. If claiming exemption in multiple counties, include list in Supplemental Information. This document must be filed with the County Assessor by April 1. If April 1 falls on a Saturday, Sunday or legal holiday, the filing is due on the next business day. If it is not signed, it may be returned to you for completion.

**NOTE: ATTACH A SHEET PROVIDING ANY ADDITIONAL INFORMATION YOU FEEL THE ASSESSOR SHOULD CONSIDER IN THE VALUATION OF YOUR BUSINESS PERSONAL PROPERTY.**