

PAYMENT IN LIEU OF TAX PERSONAL PROPERTY REPORTING REQUIREMENTS

All personal property which is owned by one of the Industrial Development Boards in Shelby County and used or held for use in the operation of a business must be reported in the Tangible Personal Property Schedule of that business. (Schedules are mailed to businesses prior to February 1st of each year. The completed schedule must be received by the Assessor prior to March 1st of that year.)

Tennessee Code Annotated 67-5-502(c) provides in part, "Other leased personal property shall be classified according to the lessee's use and assessed to the lessee, unless such property is the subject of a lawful agreement between the lessee and a local government for payment in lieu of taxes."

Tennessee Code Annotated 67-5-904(a)(1) provides in part "it shall further be the duty of the taxpayer to list fully on the schedule provided by the assessor all tangible personal property which is leased by the taxpayer for the conduct of his business."

Therefore, even though the leased property is not subject to assessment based on the above statute, it must be reported in the personal property schedule (PART III).

Instructions

1. Complete PART III, giving the Group in which this property would be reported if owned, a brief description of the property, acquisition date and cost (summarized by group). A detailed listing of the property should be attached to the schedule.
2. In the column headed "Terms of Lease and Year Lease Began", indicate that this is a PILOT and insert the date the lease began as well as the date it will terminate.
3. In the column headed "Monthly Rent", provide the amount of your last payment in lieu of tax and the date of that payment.
4. Place the name of the industrial development board or local governmental agency and their mailing address under "Lessor" and "Lessor's Address".

Any property not covered under the PILOT agreement should be reported in Part II. Leased equipment being leased from lessor other than Industrial Development Board should be reported in Part III. Raw materials & supplies, over-the-road vehicles, aircrafts and boats are not covered under the PILOT agreement and must be reported in Part II.

Should you have any questions or need any assistance, contact the Personal Property Department at (901) 222-7002.