

**PAYMENT IN LIEU OF TAX (PILOT)  
PERSONAL PROPERTY REPORTING REQUIREMENTS**

All personal property which is owned by one of the Industrial Development Boards (IDB) or the Economic Development Growth Engine (EDGE) in Shelby County and used or held for use in the operation of a business must be reported in a Tangible Personal Property Schedule of the business.

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.

Starting in 2018, the Tennessee Division of Property Assessments recommends that this property be reported on a separate schedule for each contract.

The account number assigned to a new PILOT account will closely resemble the account number used by the Shelby County Trustee to bill for Payment in Lieu of Taxes. It will begin with a prefix of letter “D” instead of the letter “P”. Taxpayers will still report all property not covered by a PILOT agreement on the traditional personal property schedule (“P” account). The IDB/EDGE contract number is located at the end of the company name.

Instructions for Completing PILOT Personal Property Schedule:

1. Please enter the Term of the Lease, including the beginning and ending dates, within the “Remarks/Explanation” section above PART I of the reporting schedule.

2. Complete PART II, listing the cost of all property covered by the PILOT agreement. REMEMBER: A separate schedule is required for each agreement.
3. If the IDB/EDGE has agreed to accept a capital lease, please complete Part III of the schedule and provide the lease information. Items listed in Part II should be excluded.
4. If your PILOT agreement expired prior to January 1 of the current year, the assessment lien date, you must notify the Assessor and the property should be reported in your traditional Personal Property Schedule (“P” account).
5. If you do not receive a schedule for an existing Payment-In Lieu-of-Tax agreement, please visit our web site at [www.assessor.shelby.tn.us/Documents/PersonalProperty%20Schedule.pdf](http://www.assessor.shelby.tn.us/Documents/PersonalProperty%20Schedule.pdf) and print and complete a blank schedule. Write the word “New IDB” and provide the beginning and ending dates of the lease in the “Remarks/Explanation” section of the schedule. A copy of the lease agreement and bill of sale **must** be attached to this new schedule.

*Any property not covered under the PILOT agreement should be reported in the traditional Personal Property Schedule (“P” account). Equipment being leased from lessor other than IDB/EDGE should be reported in Part III of the traditional schedule.*

*Raw materials & supplies, over-the-road vehicles, aircrafts and boats are not covered under the PILOT agreement and must be reported in the traditional schedule.*

Should you have any questions or need any assistance, contact the Personal Property Audit Department at (901) 222-7018.