



Online Tangible Property Tax Filing System

Interim Joint Committee on Local Government
September 27, 2022

TEAM 
KENTUCKY

Kentucky Department of Revenue • 501 High Street • Frankfort, KY 40601 • (502) 564-5117

Purpose

Discussion concerning online tangible personal property tax filing system and the role that the department would take in implementing and managing the system envisioned by 2022 SB 232 should that measure become law.

Program Description

The Department of Revenue (DOR), Office of Property Valuation is responsible under KRS 132.486 for administering a centralized ad valorem system for tangible personal property. The current mainframe system developed in 1988 provides the 120 Property Valuation Administrator Offices the ability to manually enter tangible returns for their respective Counties. The tax roll is currently produced at the state level and sent to the Counties to maintain for retention purposes and for producing the tax bills.

Program Description Cont.

An online filing system for tangible property tax returns would serve to allow taxpayers and taxpayer representatives to file their business personal property tax returns via an online portal. The returns filed online would then be available to export into a format allowing for upload into each county's tax roll program.

Current Systems

- Tangible Property Tax System (TPT)
- Omitted Property Tax System (OPT)

WAS

Current Systems

Tangible Property Tax (TPT)

- Currently, all tangible property tax returns are paper documents that are filed in each of the various PVA offices or with Department of Revenue.
- Returns filed by the due date May 15th each year are processed locally in the Tangible Property Tax System (TPT) by the PVA offices.
- There are more than 101,000 returns manually entered in the 120 PVA offices.

Current Systems Omitted Property Tax (OPT)

- Returns filed after the due date May 15th are processed in the Omitted Personal Property System (OPT) by the Department of Revenue.
- Omitted Personal Property Tax System (OPT) includes the assessment and collection of omitted personal property and is administered directly by the Department of Revenue. There are more than 10,200 returns processed annually in the OPT system and numerous audits of business personal property. In FY 21, \$31.7 million was collected with \$17.9 million being distributed to local taxing jurisdictions.

Summary

62AS00 (1-22)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE
Station 32

2022 TANGIBLE PERSONAL PROPERTY TAX RETURN

Property Assessed January 1, 2022

Forms filed on or before due date:
File the return with the PVA in the county of taxable situs.

See pages 11 and 12 for a complete list of mailing addresses.

There is no filing extension for this return.

FOR OFFICIAL USE ONLY
County Code Locator Number
T / - - - - - -

Due Date:
Monday
May 16, 2022

MAY 2022						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

<input type="checkbox"/> Check applicable box and write in <input type="checkbox"/> Patient ID No. or <input type="checkbox"/> Social Security No. 2nd SSN if joint return	Name of Business		Organization	Type
	Name of Taxpayer(s)		<input type="checkbox"/> Individual	1
	Mailing Address		<input type="checkbox"/> Joint (Co-Owners)	2
NAICS CODE	City or Town	State	<input type="checkbox"/> Partnership/LLP	3
Type of Business	Property Location (Number and Street or Rural Route, City/Post List) REQUIRED		<input type="checkbox"/> Domestic Corp./LLC	4
Check if applicable	Yes	Property is Located in	<input type="checkbox"/> Foreign Corp./LLC	5
Tangible in other KY counties?	<input type="checkbox"/>	County	<input type="checkbox"/> Fiduciary—Bank	6
Alternative valuation?	<input type="checkbox"/>		<input type="checkbox"/> Fiduciary—Other	7
Final Return?	<input type="checkbox"/>		For Official Use Only District Code _____ Type Return _____	

NOTE: Taxpayers who have property in more than one location must complete a separate form for each location.

FROM SCHEDULE A				FROM SCHEDULE B			
Class	Original Cost	Reported Value	For Official Use Only	Class	Original Cost	Reported Value	For Official Use Only
11	I			21	I		
12	II			22	II		
13	III			23	III		
14	IV			24	IV		
15	V			25	V		
16	VI			26	VI		
17	Total			27	Total		
See pages 3 through 5 for instructions.				Taxpayer's Valuation		For Official Use Only	
31	Merchants Inventory						
32	Manufacturers Finished Goods						
33	Manufacturers Raw Materials/Goods in Process						
	Motor Vehicles Held for Sale (dealers only)						
	New Farm Machinery Held Under a Floor Plan						
	New Boats and Marine Equipment Held Under a Floor Plan						
	Salvage Titled Vehicles (insurance companies only)						
	Recreational Vehicles Held in a Retailer's Inventory						
	Biotechnology Products Held in a Warehouse (manufacturers and affiliates only)						
34	Nonferrous Metal Located in a Commodity Warehouse and Held on Warrant						
35	Goods Stored in Warehouse/Distribution Center (see instructions)						
36	Goods—In Transit (see instructions)						
37	Unmanufactured Tobacco Products not at Manufacturer's Plant or in Hands of Grower or His Agent						
38	Other Unmanufactured Agricultural Products not at Manufacturer's Plant or in Hands of Grower or His Agent						
39	Unmanufactured Agricultural Products at Manufacturer's Plant or in Hands of Grower or His Agent/Industrial Revenue Bond Property Qualifying Voluntary Environmental Remediation Property						
50	Livestock and Farm Machinery/Fluidized Bed Energy Facilities						
60	Other Tangible Property (from Schedule C) (page 2)						
70	Activated Foreign Trade Zone						
81	Construction Work in Progress (manufacturing machinery)						
82	Construction Work in Progress (other tangible property)						
90	Recycling Machinery and Equipment						

Schedule A

SCHEDULE A
2022 Tangible Personal Property Subject to Full State and Local Rates
Factors change every year. Please use correct year factors.

CLASS I Under 5 Year Economic Life			CLASS II 6-8 Year Economic Life			CLASS III 9-11 Year Economic Life					
% ≤	Original Cost	Factor	Reported Value	% ≤	Original Cost	Factor	Reported Value	% ≤	Original Cost	Factor	Reported Value
1		.856		1		.936		1		.973	
2		.659		2		.824		2		.898	
3		.447		3		.691		3		.804	
4		.232		4		.580		4		.738	
5		.100		5		.446		5		.649	
6		.100		6		.300		6		.545	
7		.100		7		.149		7		.432	
8		.100		8		.100		8		.330	
9		.100		9		.100		9		.222	
10		.100		10		.100		10		.112	
11		.100		11		.100		11		.100	
12		.100		12		.100		12		.100	
13		.100		13		.100		13		.100	
13+		.100		13+		.100		13+		.100	
Total											

CLASS IV 12-14 Year Economic Life			CLASS V 15-18 Year Economic Life			CLASS VI Over 18 Year Economic Life					
% ≤	Original Cost	Factor	Reported Value	% ≤	Original Cost	Factor	Reported Value	% ≤	Original Cost	Factor	Reported Value
1		.923		1		.981		1		.999	
2		.710		2		.976		2		.987	
3		.572		3		.922		3		.983	
4		.480		4		.901		4		.976	
5		.443		5		.859		5		.969	
6		.402		6		.800		6		.933	
7		.359		7		.726		7		.880	
8		.329		8		.673		8		.852	
9		.299		9		.611		9		.815	
10		.272		10		.549		10		.778	
11		.254		11		.500		11		.761	
12		.234		12		.437		12		.729	
13		.205		13		.354		13		.662	
14		.100		14		.302		14		.653	
15		.100		15		.234		15		.623	
16		.100		16		.165		16		.607	
17		.100		17		.100		17		.577	
18		.100		18		.100		18		.558	
19		.100		19		.100		19		.505	
20		.100		20		.100		20		.449	
21		.100		21		.100		21		.385	
22		.100		22		.100		22		.327	
23		.100		23		.100		23		.265	
24		.100		24		.100		24		.199	
25		.100		25		.100		25		.135	
26		.100		26		.100		26		.100	
27		.100		27		.100		27		.100	
27+		.100		27+		.100		27+		.100	
Total											

Schedule B

Page 4

SCHEDULE B (Manufacturing Assets & Qualifying Pollution Control)
2022 Tangible Personal Property Subject to State Rate
 Factors change every year. Please use correct year factors.

CLASS I Under 5 Year Economic Life			CLASS II 6-8 Year Economic Life			CLASS III 9-11 Year Economic Life		
% <	Original Cost	Reported Value	% <	Original Cost	Reported Value	% <	Original Cost	Reported Value
1		.856	1		.936	1		.973
2		.659	2		.824	2		.808
3		.442	3		.691	3		.804
4		.232	4		.580	4		.738
5		.100	5		.446	5		.649
6		.100	6		.300	6		.545
7		.100	7		.149	7		.432
8		.100	8		.100	8		.330
9		.100	9		.100	9		.222
10		.100	10		.100	10		.112
11		.100	11		.100	11		.100
12		.100	12		.100	12		.100
13		.100	13		.100	13		.100
13+		.100	13+		.100	13+		.100
Total								

CLASS IV 12-14 Year Economic Life			CLASS V 15-18 Year Economic Life			CLASS VI Over 18 Year Economic Life		
% <	Original Cost	Reported Value	% <	Original Cost	Reported Value	% <	Original Cost	Reported Value
1		.923	1		.981	1		.999
2		.710	2		.976	2		.987
3		.572	3		.922	3		.983
4		.480	4		.901	4		.976
5		.443	5		.859	5		.969
6		.402	6		.800	6		.933
7		.359	7		.726	7		.880
8		.329	8		.673	8		.852
9		.299	9		.611	9		.815
10		.272	10		.549	10		.778
11		.254	11		.500	11		.761
12		.234	12		.437	12		.729
13		.205	13		.354	13		.662
14		.100	14		.302	14		.653
15		.100	15		.234	15		.623
16		.100	16		.165	16		.607
17		.100	17		.100	17		.577
18		.100	18		.100	18		.558
19		.100	19		.100	19		.505
20		.100	20		.100	20		.449
21		.100	21		.100	21		.385
22		.100	22		.100	22		.327
23		.100	23		.100	23		.265
24		.100	24		.100	24		.199
25		.100	25		.100	25		.135
26		.100	26		.100	26		.100
27		.100	27		.100	27		.100
27+		.100	27+		.100	27+		.100
Total								

was

Program Results/Fiscal Justification

An online Tangible Property System to replace the centralized mainframe system (TPT) will result in increased efficiencies for all parties:

- Taxpayers, authorized agents, local Property Valuation Administrator Offices and Department of Revenue.
- The efficiencies realized through advancements in technology will allow work that is more accurate by, significantly reducing the amount of manual data entry that will be needed and eliminating duplication efforts.
- Tax rolls can be produced efficiently to assist local taxing jurisdictions in setting tax rates, provide cost savings concerning mailing and processing returns.

Additional Benefits of Electronic Filing

- **Convenience.** You can electronically file 24 hours a day, 7 days a week.
- **Security.** Your tax return information is encrypted and transmitted over secure lines to ensure confidentiality.
- **Accuracy.** Electronic filed returns have fewer errors than paper returns.
- **Proof of Filing.** An acknowledgment can be issued when your return is received and accepted.
- **Taxpayers and Authorized Agents will have the ability to review prior year returns if filed electronically.**
- **Information such as name and address can be carried forward from year to year if filed electronically the prior year.**

Updating the Omitted Personal Property Tax System

The Omitted Personal Property Tax System (OPT) is the means through which the Department of Revenue fulfills its statutory responsibility for the discovery, audit, assessment, collection, and distribution of omitted personal property tax. The system is designed to process omitted tangible property tax returns and audits. This system has automated such functions as taxpayer liability computations, assessment notice preparation and printing, billing memo transaction creation, and payment allocation. Since a portion of the omitted tangible collections must be distributed to the local jurisdictions, state and local tax rates must be maintained by the system.

Of the two systems the omitted system is much more complex.

Questions



Online Tangible Property Tax Filing System

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The information in this presentation is for educational and informational purposes only and does not constitute legal advice. Information is presented as an overall review that is subject to law changes and may not apply to all states. For accurate information on issues related to State Real Property Tax Rate, please reference KRS 132.020.

Information in this presentation is believed to be accurate as of the date of publication. In the event that any information in this presentation is later determined to be in error, this presentation cannot be used by taxpayers in supporting a specific position or issue before the Department of Revenue, as it does not have the statutory or regulatory authority.

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