

## **RCW [84.04.080](#)**

### **"Personal property."**

"Personal property" for the purposes of taxation, shall be held and construed to embrace and include, without especially defining and enumerating it, all goods, chattels, stocks, estates or moneys; all standing timber held or owned separately from the ownership of the land on which it may stand; all fish trap, pound net, reef net, set net and drag seine fishing locations; all leases of real property and leasehold interests therein for a term less than the life of the holder; all improvements upon lands the fee of which is still vested in the United States, or in the state of Washington; all gas and water mains and pipes laid in roads, streets or alleys; and all property of whatsoever kind, name, nature and description, which the law may define or the courts interpret, declare and hold to be personal property for the purpose of taxation and as being subject to the laws and under the jurisdiction of the courts of this state, whether the same be any marine craft, as ships and vessels, or other property holden under the laws and jurisdiction of the courts of this state, be the same at home or abroad: PROVIDED, That mortgages, notes, accounts, certificates of deposit, tax certificates, judgments, state, county, municipal and taxing district bonds and warrants shall not be considered as property for the purpose of this title, and no deduction shall hereafter be made or allowed on account of any indebtedness owed.

## **WAC 458-12-005**

### **Definition—Property—Personal.**

(1) Introduction. The terms "personal property" and "real property" are defined in RCW [84.04.080](#) and [84.04.090](#), respectively. These definitions should routinely be consulted in any case where it is at all doubtful whether a given piece of property is real or personal.

Personal property, as defined in RCW [84.04.080](#), falls into two categories; namely, *tangible* personal property, that is to say, things which have a physical existence, and *intangible* personal property which consists of rights and privileges having a legal but not a physical existence.

(2) Tangible personal property. The category of tangible personal property includes but is not limited to the following:

(a) Goods and chattels. RCW [84.04.080](#). This category includes most tangible movables, such as:

(i) Inventories, AGO 57-58, No. 206 (1958);

(ii) Farm machinery, AGO 1909-1910, p. 51;

(iii) Livestock and poultry;

(iv) Logs and lumber, RCW [84.44.030](#);

(v) Motor vehicles, RCW [84.44.050](#);

(vi) Books, *Booth & Henford Abstract Company v. Phelps*, 8 Wash. 549 (1894);

(vii) Coin collections and coin inventories of coin dealers, AGO 63-64, No. 116 (1964); and

(viii) Tools.

(b) All standing timber held or owned separately from the ownership of the land on which it stands, RCW [84.04.080](#); *Leuthold v. Davis*, 56 Wn.2d 710 (1960).

(c) All fish traps, pound net, reef net, set net and drag seine fishing locations, RCW [84.04.080](#).

(d) All privately owned improvements, including buildings and the like, upon publicly owned lands which have *not* become part of the realty, RCW [84.04.080](#); *Pier 67, Inc. v. King County*, 71 W.D.2d 89 (1967); AGO 1935-1936, p. 167; AGO 3-25-52; TCR [6-17-1947](#).

(e) All gas and water mains and pipes laid in roads, streets or alleys, RCW [84.04.080](#).

(f) Water craft of all descriptions, RCW [84.04.080](#), *Black v. State*, 67 Wn.2d 97 (1965), provided they have acquired an actual situs in the taxing county pursuant to RCW [84.44.050](#).

(g) Foxes, mink, marten, fish, oysters and all other animals held or raised in captivity for business or commercial purposes, including livestock.

(h) The roads and bridges of plank roads, gravel roads, turnpike or bridge companies.

(i) Trade fixtures. This concept, which is peculiar to the landlord-tenant relationship, refers to the machinery or equipment of any commercial or industrial business which operates on leased land or in rented quarters. Such machinery or equipment is a trade fixture; i.e., the tenant's personal property, no matter how firmly it may be attached to the landlord's realty, unless it could not be removed without virtually destroying the building housing it, or otherwise seriously damaging the landlord's realty. Brown on *Personal Property* (2d Edition 1955), Sec. 144.

(j) All engines and machinery of every description used or designed to be used in any process of refining or manufacturing, unless such engines and machinery shall have been included as part of any parcel of real property as defined in WAC [458-12-010](#)(3).

(k) All buildings and other permanent improvements constructed or placed upon the easements of public service corporations other than railroads.

(l) All surface leases, whether of public or privately owned land, except leases for the life of the lessee. RCW [84.04.080](#); AGO 49-51, No. 476 (1951); TCR 8-8-41: *In Re Barclay's Estate*, 1 Wn.2d 82 (1939). This category includes practically all leases to corporations because the legal life of a corporation is almost always longer than the term of any lease to it. *Pier 67, Inc., v. King County*, 71 W.D.2d 89 (1967).

(3) Intangible personal property. Intangible personal property includes but is not necessarily limited to the following:

(a) Contract rights to cut timber on either public or privately owned land under which title to the timber has not yet passed. AGO 53-55, No. 29 (1953). A contract right to cut timber is a mere license, and all contractual licenses to use someone else's realty are personal property.

(b) All mining claims, whether patented or unpatented, which are located on public land. TCR 10-3-35; TCR 4-4-1950; AGO 55-57, No. 327 (1956); *American Smelting and Refining Company v. Whatcom County*, 13 Wn.2d 295 (1942).

(c) All mining or prospecting *leases*, whether on public or privately owned land, except leases for the life of the lessee. RCW [84.04.080](#); TCR 4-22-36; *Walla Walla Oil, Gas & Pipe Line Company v. Vallentine*, 103 Wash. 359 (1918).

(d) All contractual licenses to use public or someone else's land for specified purposes, or to take something from public or someone else's land, which have a specified minimum term. Examples: Timber contracts, AGO 53-55, No. 29, (1953); oil and gas prospecting permits, *Walla Walla Oil, Gas & Pipe Line Company v. Vallentine*, 103 Wash. 359 (1918); grazing permits; permits to take gravel or other minerals, TCR [4-22-1936](#). However, a license or permit which is revocable at the will of the landowner is not property at all because it gives the licensee no legally protected right or interest whatsoever.

(e) All possessory rights in realty which are divorced from the title to the realty. TCR 10-3-35; AGO 1937-1938, p. 353. Such possessory rights are analogous to leases; hence they are personal property unless they are coextensive with the life of their holder. This category includes the possessory interest which an installment contract for the sale of public or privately owned land creates in the vendee. See RCW [84.40.230](#).

(f) Public utility franchises owned by public service corporations. A public utility franchise is the right to use publicly owned real estate for power lines, gas or water lines, sewers or some other public utility facility. *Commercial Electric Light and Power Company v. Judson*, 21 Wash. 49 (1899); *Chehalis Broom Company v. Chehalis County*, 24 Wash. 135 (1901). Such public utility franchises are very similar to public utility easements, which are personal property under Paragraph 8 thereof. However, a Washington corporation's primary franchise to exist and do business in corporate form is not taxable property. *Bank of Fairfield v. Spokane County*, 173 Wash. 145 (1933).

(g) Public utility easements owned by public service corporations other than railroads. RCW [84.20.010](#).

(h) See WAC [458-50-150](#) through [458-50-190](#) for rules relating to exemption of intangible personal property under RCW [84.36.070](#).

## **RCW [84.40.190](#)**

### **Statement of personal property.**

Every person required by this title to list property shall make out and deliver to the assessor, or to the department as required by RCW [84.40.065](#), either in person, by mail, or by electronic transmittal if available, a statement of all the personal property in his or her possession or under his or her control, and which, by the provisions of this title, he or she is required to list for taxation, either as owner or holder thereof. When any list, schedule, or statement is made, the principal required to make out and deliver the same shall be responsible for the contents and the filing thereof and shall be liable for the penalties imposed pursuant to RCW [84.40.130](#). No person shall be required to list for taxation in his statement to the assessor any share or portion of the capital stock, or of any of the property of any company, association or corporation, which such person may hold in whole or in part, where such company, being required so to do, has listed for assessment

and taxation its capital stock and property with the department of revenue, or as otherwise required by law.

## **WAC 458-12-060**

### **Listing of personal property.**

(1) **Introduction.** This rule provides information about the listing of personal property subject to ad valorem taxation. This rule also provides specific information about the listing of personal property by manufacturers. For information about the listing of ships and vessels subject to property taxation, refer to WAC [458-17-101](#).

(2) **Who is required to list personal property with the county assessor?** Every person is required to list all taxable (i.e., nonexempt) personal property in the person's ownership, possession, or control. RCW [84.40.185](#) and [84.40.190](#). Every person required to list personal property must deliver to the county assessor a form listing all of the person's taxable personal property that was located in the county as of 12:00 p.m. on January 1st of the assessment year. The listing may be delivered to the assessor either in person, by mail, or by electronic transmittal (e.g., internet-based application, email, or facsimile) if available. The listing does not need to be signed or verified under penalty of perjury. (Chapter 302, Laws of 2003.)

For purposes of this rule, the term "person" includes natural persons and artificial persons such as partnerships, corporations, limited liability companies, associations, trusts, and estates.

(a) **How should property be identified on the listing form?** Each item of taxable personal property may, but need not, be separately identified on the listing form. At a minimum, however, each category of taxable personal property must be separately identified on the listing form. For example, office equipment must be separately identified as personal computers and peripherals, facsimile machines, copiers, telephone equipment, office furniture, supplies, and the like. RCW [84.08.020](#) and [84.40.040](#).

(b) **What other information must be included in the personal property listing?** In addition to a listing of all categories of taxable personal property, a listing form must also include:

(i) The year of acquisition for each category of personal property; and

(ii) The total original cost of each category of personal property. The value of any trade-in is not to be deducted from the acquisition cost. For purposes of listing taxable personal property, the total original cost includes all costs associated with making the property operational but excludes sales tax. For example, installation, freight, and engineering charges are costs that may be incurred while placing property into operation. RCW [84.08.020](#) and [84.40.040](#).

(c) **When are personal property listings due?** RCW [84.40.040](#) provides that personal property listings are due on or before April 30th. A penalty may be added to the amount of tax assessed if listing is not made by the due date. RCW [84.40.130](#). Refer to WAC [458-12-110](#) for detailed information about the penalties imposed under RCW [84.40.130](#).

(d) **How do the exemptions for household goods, furnishings, and personal effects and for the head of a family affect listing?** RCW [84.36.110](#) provides exemptions for the head of a family and

for household goods, furnishings, and personal effects. Information about these exemptions and their effect on listing is provided in WAC [458-16-115](#).

**(e) What if the assessor believes that an incomplete or inaccurate listing has been made?** When the assessor believes that an incomplete or inaccurate listing has been made, the assessor has the following options:

(i) If the assessor believes that a person listing personal property for himself or herself, or on behalf of a principal (e.g., any other person, company, or corporation), has not made a full, fair, and complete listing of such property, the assessor may examine the person under oath in regard to the amount of the property the person is required to list. If the person refuses to answer under oath, the assessor may list the property of that person, or of that person's principal, according to the assessor's best judgment and information. RCW [84.40.110](#). Any oath authorized to be administered under Title [84](#) RCW may be administered by any assessor or deputy assessor, or by any other officer having authority to administer oaths. Any person willfully making a false list, schedule, or statement under oath is subject to the penalties of perjury. RCW [84.40.120](#).

(ii) For the purpose of verifying any list, statement, or schedule required to be furnished to the assessor by any taxpayer, any assessor or the assessor's trained and qualified deputy may visit, investigate, and examine any personal property at any reasonable time. For the purposes of this verification, the records, accounts, and inventories, which will aid in determining the amount and valuation of the property, will also be subject to visitation, investigation, and examination. The visitation, investigation, and examination may be performed at any office of the taxpayer in this state. The taxpayer is required to furnish or make available all the information pertaining to property in this state to the assessor even though the records may be maintained at any office outside this state. RCW [84.40.340](#).

**(f) What if the owner of personal property moves to another county or into this state after January 1st?** The owner of taxable personal property who moves from one county to another between January 1st and July 1st will be assessed in the county whose assessor first calls upon the owner to make a listing. The owner of personal property who moves into this state from another state between January 1st and July 1st must make a listing of taxable personal property that the person owned on January 1st of the assessment year with the assessor in the county in which the person resides.

If the owner of personal property moves to another county or into this state after January 1st and can satisfy the assessor that the owner's property has been assessed and will be held liable for the tax on the current year in another state or county, the owner cannot be assessed again for the current year. RCW [84.44.080](#).

**(3) Assessor's duty to maintain list of persons liable to assessment.** Assessors must maintain an alphabetical list of the names and last known addresses of all property owners in the county who are subject to assessment of personal property. On or before January 1st of each year, the assessor is required to mail or electronically transmit (e.g., email) a notice to such persons that a listing is required along with a listing form. The notice and listing form must be in accordance with forms prescribed by the department of revenue. If practicable, the notice and listing form mailed or electronically transmitted to each taxpayer must include a copy of the previous year's listing.

RCW [84.40.040](#). A copy of the taxpayer's previous year's listing must also be provided to the taxpayer upon the taxpayer's request.

(a) **What if I do not receive a listing form from the assessor?** Property owners who are subject to assessment of personal property and any other person required to list personal property are responsible for making a listing regardless of whether or not the person receives a listing form from the assessor.

(b) **What are the assessor's duties upon receipt of a personal property listing?** Upon receipt of a personal property listing, the assessor will determine the true and fair value of the property listed and enter one hundred percent of the true and fair value of the property on the assessment roll opposite the name of the party assessed (i.e., the owner of the property). The assessor may, after giving written notice of the action to the person assessed, add to the assessment list any taxable property that should have been included in the list but was omitted by the taxpayer.

RCW [84.40.040](#).

RCW [84.40.200](#) requires that a copy of the completed personal property listing containing the assessor's determination of the true and fair value of the property assessed must be provided to the person assessed, or to the person listing the property. The information may be provided in person, by mail, or by electronic transmittal if available.

(4) **Listing of personal property by manufacturers.** This subsection provides specific information about the listing of taxable personal property by manufacturers. A manufacturer must make and deliver to the assessor a personal property listing. The listing is made in the county where the personal property is situated. RCW [84.44.010](#). The listing must include the manufacturer's stock, engines, machinery, and other nonexempt personal property, together with the year of acquisition and total original cost for each category. Detailed information about the cost of personal property is contained in subsection (2)(b)(ii) of this rule. Manufacturer's stock that constitutes "business inventories," as that term is defined in RCW [84.36.477](#), is exempt from ad valorem taxation and need not be included in the personal property listing.

Fixtures considered by the assessor as part of any parcel of real property should not be included in a manufacturer's personal property listing. For detailed information about fixtures or trade fixtures, refer to WAC [458-12-005](#) and [458-12-010](#).

(a) **Who is a "manufacturer"?** A "manufacturer" is any person who purchases, receives, or holds personal property of any description for the purpose of adding to the value thereof by any process of manufacturing, refining, rectifying, or by the combination of different materials with the view of making gain or profit by so doing. RCW [84.40.210](#).

(b) **What is "manufacturer's stock"?** "Manufacturer's stock" includes all articles purchased, received, or otherwise held for the purpose of being used in whole or in part in any process or processes of manufacturing, combining, rectifying, or refining.

(c) **What if property identified on the personal property listing has also been listed and assessed as part of any parcel of real property?** On receipt of the manufacturer's personal property listing, the assessor will delete from the assessment the value of any engines and

machinery that the assessor knows to have been assessed as part of any parcel of real property (i.e., as a fixture). A copy of the corrected assessment will be provided to the manufacturer.

## **RCW [84.40.060](#)**

### **Personal property assessment.**

Upon receipt of the statement of personal property, the assessor shall assess the value of such property. If any property is listed or assessed on or after the 31st day of May, the same shall be legal and binding as if listed and assessed before that time.

## **WAC 458-16-115**

### **Personal property exemptions for household goods, furnishings, and personal effects, and for the head of a family.**

(1) **Introduction.** This section explains the personal property tax exemption for household goods, furnishings, and personal effects. It also explains the exemption available to the head of a family for otherwise taxable personal property up to a value of fifteen thousand dollars. These exemptions are provided by RCW [84.36.110](#). (For sections dealing with exemptions of intangible personal property under RCW [84.36.070](#), see WAC [458-50-150](#) through [458-50-190](#).)

(2) **Exemption for household goods, furnishings, and personal effects.** All household goods and furnishings actually being used to equip and outfit the owner's residence or place of abode and all personal effects held by any person for his or her exclusive use and benefit are exempt from property taxation. Any household goods and furnishings or personal effects held for sale or commercial use do not qualify for this exemption. RCW [84.36.110](#)(1).

(a) **What are household goods and furnishings?** "Household goods and furnishings" are all items of tangible personal property normally located in or about a residence and used or held to enhance the value or enjoyment of the residence, including its premises. The phrase includes, but is not limited to, movable items of necessity, convenience, or decoration, such as furniture, appliances, food, pictures, and tools and equipment used to maintain the residence. Personal property qualifying for this exemption retains its exempt status while temporarily in storage or while being used temporarily at locations other than the owner's residence.

"Household goods and furnishings" do not include items of personal property constructed primarily for use independent of and separate from a residence such as boats, motor vehicles, campers, and travel trailers. However, certain motor vehicles, campers, and travel trailers may be entitled to an exemption from property taxation under RCW [84.36.595](#). Also, some boats may be wholly or partially exempt from property taxation under RCW [84.36.080](#) and [84.36.090](#).

(b) **What are personal effects?** "Personal effects" are items of tangible property of a personal or intimate nature that usually and ordinarily accompany a person such as wearing apparel, jewelry, and articles of a similar nature. RCW [84.36.120](#).

(c) **When are household goods, furnishings, and personal effects not exempt?** Personal property held for sale or used for any business or commercial purpose does not qualify for the household goods exemption. Thus, property used to equip and outfit a motel, hotel, apartment, sorority, fraternity, boarding house, rented home, duplex, or any other premises not used by the owner for his or her own personal residence or place of abode does not qualify for this exemption. Likewise, a hairdresser who uses any portion of his or her home as a beauty salon cannot claim a household goods exemption for personal property held for sale or otherwise used in the business. Business inventories, however, are exempt from property taxation under RCW [84.36.477](#).

Following is a nonexclusive list of items that are exempt as household goods or furnishings if they are used in a residence or place of abode but are fully taxable if they are used for business or commercial purposes.



(i) Desks are exempt as household goods if they are used in a residence but are taxable if they are used in a business office, including an office located in the owner's residence.

(ii) Silverware and china are exempt if they are used in a residence but are taxable if they are used in a restaurant.

(iii) Art or other collections are exempt if they are located in a residence but are taxable if they are located in a public display or used for commercial purposes.

(iv) Power equipment such as lawnmowers used exclusively to enhance the value or enjoyment of a residence, including its premises, are exempt, but they are taxable when used to maintain a golf course or for any other business or commercial purpose.

(3) **Exemption for the head of a family.** Each head of a family is entitled to an exemption from his or her taxable personal property in an amount up to fifteen thousand dollars of actual value. RCW [84.36.110\(2\)](#). For purposes of this exemption, "actual value" has the same meaning as "true and fair value" as defined in WAC [458-07-030](#). The taxpayer must qualify for the head of a family exemption on January 1st of the assessment year (the assessment date) or the exemption is lost for taxes payable the following year. As noted above, household goods, furnishings, and personal effects not used for business or commercial purposes are exempt from property taxation; therefore, the exemption for the head of a family does not apply to such property.

(a) **Who qualifies as the head of a family?** The exemption for the head of a family applies only to individuals (i.e., natural persons); it does not apply to artificial entities such as corporations, limited liability companies, or partnerships. The "head of a family" includes the following residents of the state of Washington:

(i) Any person receiving an old age pension under the laws of this state;

(ii) Any citizen of the United States, over the age of sixty-five years, who has resided in the state of Washington continuously for ten years;

(iii) The husband, wife, or domestic partner, when the claimant is a married person or has entered into a domestic partnership, or a surviving spouse or surviving domestic partner, who has neither remarried nor entered into a subsequent domestic partnership; and

(iv) Any person who resides with, and has under his or her care and maintenance, any of the following:

(A) His or her minor child or grandchild, or the minor child or grandchild of his or her deceased spouse or deceased domestic partner;

(B) His or her minor brother or sister or the minor child of a deceased brother or sister;

(C) His or her father, mother, grandmother, or grandfather, or the father, mother, grandmother, or grandfather of a deceased spouse or deceased domestic partner; or

(D) Any of the other relatives mentioned in this subsection who have attained the age of majority and are unable to take care of or support themselves.

(b) **What property is not exempt?** The personal property exemption for the head of a family does not apply to the following:

(i) Private motor vehicles. A "private motor vehicle" is any motor vehicle used for the convenience or pleasure of the owner, which carries a licensing classification other than motor vehicle for hire, auto stage, auto stage trailer, motor truck, motor truck trailer, or dealer's license. RCW [84.36.120](#);

(ii) Mobile homes. A "mobile home" is a trailer designed for human habitation, which is capable of being moved upon the public streets and highways and is either more than thirty-five feet in length or more than eight feet in width. RCW [84.36.120](#);

(iii) Floating homes. A "floating home" is a building on a float, used in whole or in part for human habitation as a single-family dwelling and is on the property tax rolls of the county in which it is located. A floating home is not designed for self-propulsion by mechanical means or by means of wind. RCW [82.45.032](#);  
or

(iv) Houses, cabins, boathouses, boat docks, or other similar improvements that are located on publicly owned land.

(c) **Examples.** The following examples identify a number of facts and then state a conclusion. These examples should be used only as a general guide. The status of each situation must be determined after a review of all of the facts and circumstances.



(i) A husband and wife operate a catering business as a limited liability company (LLC). The wife also operates a consulting business as a sole proprietor out of the family home. Husband and wife are not entitled to the head of family exemption for property held by the LLC. However, the wife is entitled to the head of family exemption for the taxable personal property used in her consulting business.

(ii) Jane Doe is a citizen of the United States, over the age of sixty-five, and has resided in the state of Washington continuously for over ten years. Jane owns a farm. She has transferred title to the farm property, both real and personal, into a trust. An attorney is the trustee, and Jane is the sole beneficiary. Since Jane Doe has beneficial ownership of the trust property and she qualifies as the head of a family, Jane may claim the head of a family exemption for the taxable personal property held in the trust.

(4) **How do the exemptions included in this section affect listing?** If the county assessor is satisfied that all of the personal property of any person is exempt from taxation, no listing is required by the owner or taxpayer. If the value of taxable personal property exceeds fifteen thousand dollars, then the taxpayer must make a complete listing, and the assessor will deduct fifteen thousand dollars from the total amount of the assessment and assess the remainder. RCW [84.36.110](#)(2).

### **RCW [84.36.630](#)**

#### **Farming machinery and equipment.**

(1) All machinery and equipment owned by a farmer that is personal property is exempt from property taxes levied for any state purpose, including the additional state property tax imposed under RCW [84.52.065](#)(2), if it is used exclusively in growing and producing agricultural products during the calendar year for which the claim for exemption is made.

(2) "Farmer" and "agricultural product" have the same meaning as defined in RCW [82.04.213](#).

(3) A claim for exemption under this section must be filed with the county assessor together with the statement required under RCW [84.40.190](#), for exemption from taxes payable the following year. The claim must be made solely upon forms as prescribed and furnished by the department of revenue.