ALABAMA

Alabama classifies property using the following categories:

- **Class I:** All property of utilities used in the business of such utilities is assessed at 30%.¹
- **Class II:** All property not otherwise classified is assessed at 20 percent. See Alabama Department of Revenue, “Property Tax Assessment.”²
- **Class III:** All agricultural, forest, and single-family owner-occupied residential property, including owner-occupied residential manufactured homes located on land owned by the manufactured homeowner, and historic building and sites are assessed at 10 percent.³
- **Class IV:** All private passenger automobiles and motor trucks of the type commonly known as “pickups” or “pickup trucks” owned and operated by an individual for personal or private use and not for hire, rent, or compensation are assessed at 15 percent.⁴

There are 14 Class 6 Cities – Alexander City, Athens, Auburn, Cullman, Enterprise, Fairfield, Homewood, Mountain Brook, Opelika, Ozark, Prattville, Sheffield, Sylacauga, and Talladega.⁵

Inventory is exempt from property tax. Ala. Code § 40-9-1(23), Ala. Const. amend. 373 § 217.

The following property is exempt from all ad valorem taxation: the real and personal property of the state, counties, and municipalities, and property devoted exclusively to religious, educational, or charitable purposes, household and kitchen furniture, all farm tractors, all farming implements when used exclusively in connection with agricultural property, and all stocks of goods, wares, and merchandise. Ala. Const. amend. 373 § 217(k).

Alabama provides an abatement of noneducational ad valorem taxes, other ad valorem taxes, or payments required to be made in lieu thereof, for all real and personal property comprising a data processing center. Ala. Code § 40-9B-4(b).

The governing body of any city may grant a partial or complete exemption from city ad valorem taxes for any parcel of land or personal property located within the city for up to 15 years. The extent of the exemption and the period of the exemption shall be fixed in the resolution or ordinance. Ala. Code § 11-51-221.

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² Ibid.
³ Ibid.
⁴ Ibid.
⁵ Alabama Department of Revenue, “Property Tax Incentives,” [https://revenue.alabama.gov/tax-incentives/about/property-tax-incentives/](https://revenue.alabama.gov/tax-incentives/about/property-tax-incentives/).
Tangible Personal Property Tax Statutory References

ALASKA

Municipalities may by ordinance levy a property tax. Alaska Stat. § 29.45.240.

Second-class cities may by referendum levy property tax. Alaska Stat. § 29.45.590.

A municipality may by ordinance levy a flat tax on personal property that has been totally exempted from ad valorem taxes under AS 29.45.050(b). A municipality that levies a flat tax may classify the property as to type based on any characteristic and tax each item of property of the same type at a specific amount. A flat tax may be levied on all or on only some types of personal property. Alaska Stat. § 29.45.055.

Municipalities may by ordinance fully or partially exempt some or all types of TPP from property tax. Alaska Stat. § 29.45.050(b)(2).

Municipalities may by ordinance exempt economic development property. Alaska Stat. § 29.45.050(m).

ARIZONA


Arizona’s business personal property tax exemption for 2019 is $176,003 of full cash value of the property. The amount of this exemption is adjusted by a cost index each year. Ariz. Rev. Stat. Ann. § 42-11127.


Most business property is Class 1, which is assessed at 18 percent of cash value. Residential property is assessed at 10 percent of cash value, and agricultural property is assessed at 15 percent of cash value. Ariz. Rev. Stat. Ann. § 42-15001 to -15003.


Class 6 property includes TPP in a foreign trade zone, in a military reuse zone, used in environmental technology manufacturing, or used in renewable energy manufacturing or headquarters. Class 6 property is assessed at 5 percent of cash value. Ariz. Rev. Stat. Ann. §§ 42-12006, 42-15006.

ARKANSAS

All TPP is taxable. Ark. Code ann. § 26-3-201.

Textile millers are exempt from property tax for seven years after being built in Arkansas. Ark. Code ann. § 26-3-304.
**CALIFORNIA**

Inventory is exempt. Cal. Rev. & Tax Code § 219.

Local jurisdictions may adopt a capital investment incentive program and provide incentives to a qualified manufacturing or research and development facility that invests at least $150 million in the jurisdiction. Cal. Govt. Code § 51298.

Counties may exempt TPP that has full value so low that the total taxes would be less than the cost of assessment and collection. Cal. Rev. & Tax Code § 155.20.

**COLORADO**


A taxpayer with $7,700 or less in value of taxable TPP is exempt. The exemption is increased by an inflation factor. Colo. Rev. Stat. § 39-3-119.5.

Since 2017, residential property is assessed at 7.2 percent of actual value. All other property is taxed at 29 percent of actual value. Colo. Rev. Stat. §§ 39-1-104, -104.2(3)(p)

**CONNECTICUT**

Inventory is exempt. Conn. Gen. Stat. § 12-81(50), (54).

Manufacturing machinery and equipment, including machinery equipment used in biotechnology, is exempt. Conn. Gen. Stat. § 12-81(76).

New machinery and equipment used in upgrading a manufacturing facility in a qualified distressed municipality, targeted investment community, or enterprise zone are exempt. The taxpayer must apply for the exemption. Conn. Gen. Stat. § 12-81(70).

Municipalities may abate taxes for information technology personal property and real and personal property of a communications establishment. Conn. Gen. Stat. § 12-81t to 12-81u.

**DELAWARE**

TPP is exempt from property tax in Delaware. Del. Code ann. Tit. 9, § 8103.
D.C. exempts $225,000 in value of TPP. The rate of taxation is $3.40 for each $100 of value of TPP over $225,000. D.C. Code Ann. § 47-1522(a).

The personal property of a qualified supermarket may be exempt from personal property taxes for the first 10 years. Subchapter X of Chapter 2 of Title 2. D.C. Code Ann. § 47-1508(a)(9), § 47-3801(1), § 47-3801(2), § 47-1002(23).

The personal property of a Qualified High Technology Company is exempt from personal property tax for the 10 years beginning in the year of purchase. D.C. Code Ann. § 47-1508(a)(10).

D.C. has four classes of real property: Class 1 includes residential real property; Class 2 includes commercial and industrial real property; Class 3 includes vacant real property; and Class 4 includes blighted real property. The rates for real property in effect in 2019 are $0.85 for Class 1; $1.65 for commercial and industrial real property less than $5 million for Class 2; $1.77 if assessed value is over $5 million but not greater than $10 million for Class 2, and $1.89 if the assessed value is over $10 million for Class 2; Class 3 property tax rate is $5.00; and Class 4 is $10.00.6

FLORIDA

Inventory is exempt from property tax. Fla. Stat. § 196.185.

Each tangible personal property tax return can exempt up to $25,000 of assessed value from taxation in the county where the property is used for business purposes. Fla. Stat. § 196.183.

Counties and cities may by referendum exempt the property of a qualified new business or an expansion of an existing business for up to 10 years, which may be renewed. A taxpayer must apply for the exemption. Fla. Stat. § 196.1995.

Qualified target businesses may receive tax refunds upon application and execution of an agreement, creation of at least 10 new jobs, and compliance with requirements for job creation and economic benefit. Fla. Stat. § 288.106.


GEORGIA

Inventory is exempt from state property taxes. GA. CODE ANN. § 48-5-41.2. Localities may tax inventory, but 93 percent of counties use a freeport exemption to partially exempt the value of inventory from 20 percent to 80 percent. Ga. Code Ann. § 48-5-48.2.

In 2015, the state millage rate was .05. Since January 1, 2016, there is no state levy for ad valorem taxation.

Local governments may by ordinance adopt enterprise zones and permit property tax exemptions for five years for qualifying businesses that create at least five new jobs. Ga. Code Ann. § 36-88-1 et seq.

HAWAII


IDAHO

Inventory is exempt. Idaho Code Ann. § 63-602W.

Counties may enter into agreements with taxpayers to exempt all or part of investment of at least $500,000 in a new manufacturing plant for up to five years. Idaho Code Ann. § 63-602NN.

Counties may exempt all or part of property that meets qualified investment requirements specified in the small employer growth incentive exemption provisions of Idaho Code Ann. § 63-606A.

TPP purchased after January 1, 2013 is exempt from property taxation if the item of taxable personal property has an acquisition price of $3,000 or less. After January 1, 2015, TPP worth $100,000 or less in a county is also exempt. Idaho Code Ann. § 63-602KK.

ILLINOIS

The Illinois constitution required that TPP taxes be abolished by January 1, 1979 and the lost revenue be replaced by statewide taxes raised solely from those classes of taxpayers relieved of the burden of TPP tax. Ill. Const. art. IX, § 5.

INDIANA

Inventory is exempt from TPP tax. Ind. Code § 6-1.1-1-11(b).

A taxpayer may apply for deductions in assessments for qualified investments in economic revitalization areas (Ind. Code § 6-1.1-12.1-1 et seq.), enterprise zones (Ind. Code § 6-1.1-45-1), and maritime opportunity districts (Ind. Code. § 6-6-1.1-40-1 et. seq.).

A taxpayer making at least a $10 million investment in a county or city may make an agreement to exempt enterprise information technology equipment in a high technology district. Ind. Code § 6-1.1-10-44.

Small businesses with up to $40,000 in business personal property in a county are exempt from property tax. Prior to 2019, counties were permitted to adopt local service fees on businesses with personal property exempt from property tax. These fees were abolished by the state in 2019. Ind. Code § 6-1.1-3.7.2.

IOWA

TPP is exempt from property tax. Iowa Code § 427A.2.

KANSAS


TPP with an original cost of $1,500 or less is exempt. Kan. Stat. Ann. § 79-201w.


Residential real property is assessed at 11.5 percent, and most business real property is assessed at 25 percent of appraised value. Commercial and industrial machinery and equipment is assessed at 25 percent, public utility TPP is assessed at 33 percent, and motor vehicles and other TPP is assessed at 30 percent of appraised value.9

KENTUCKY

Inventory is subject to a state property tax of 5 cents per $100 of assessed value. Ky. Rev. Stat. Ann. § 132.020(n).

Cities and counties may levy a property tax on inventory that is the same rate or less than the rate on other TPP. Ky. Rev. Stat. Ann. § 132.028.

Ky. Rev. Stat. Ann. § 132.200 lists specific TPP, such as farm implements, manufacturing equipment, pollution control facilities, raw materials used in manufacturing, and commercial radio, TV, and telephone equipment, which is only taxed at the state level.

Section 132.020 provides that the real property tax rate shall be reduced when the aggregate assessed value exceeds 4 percent of the aggregate assessed value in the previous year. The Kentucky Revenue Cabinet set the statewide real property tax rate for 2018 at 12.2 cents per $100 of assessed value.10

LOUISIANA

The Board of Commerce and Industry, with approval of the local jurisdiction and the Governor, may execute a contract for taxation at preconstruction value of improvement or development of structure in a downtown or economic development district for up to five years. La. Const. art. VII, § 21(H); La. Rev. Stat. Ann. § 47:4311 et seq.

Seventy-five percent of property tax of qualified investment of more than $100 million in the City of New Orleans is exempt. La. Rev. Stat. Ann. § 33:4709.21.

Local jurisdictions may enter into contracts to exempt inventory of a distribution center. La. Const. Art. VII, § 21(I).

Land is assessed at 10 percent of fair market value. Public service TPP is taxed at 25 percent, and most other TPP is taxed at 15 percent. LA. CONST. Art. VII, § 18.

The Board of Commerce and Industry, with approval of the Governor, may execute a contract for exemption from property tax for a new or expanded manufacturing establishment for five years, renewable for five more years. La. Const. Art. VII, § 21(F).

Inventory may be exempt if a business qualifies as being in the best interest of the parish by the economic development authority or district. La. Const. Art. VII, § 21(I)(2).

In 2017, the Louisiana Task Force on structural Changes in Budget and Tax Policy published a report on TPP tax changes. Recommendations included amending the Louisiana Constitution to allow local governments to grant an industrial tax exemption, expand the use of payment in lieu of tax arrangements for local governments considering property tax exemptions for economic development, amend the Louisiana Constitution to phase out the locally-imposed inventory tax over a 10-year period with the elimination over a five-year period for state income and franchise tax credit paid on inventory, and limit the property tax exemption on property owned by nonprofits to that used exclusively for the tax-exempt purposes.  

**MAINE**


Most business machinery and equipment acquired in Maine after April 1, 2008 is exempt from property tax, except office furniture, general lighting, gambling devices, most retail property, and property used in radio paging and television cable and broadcast services. Me. Rev. Stat. Ann. tit. 36, §§ 691-692. Section 693 requires taxpayers claiming this exemption to file a report annually.


Me. Rev. Stat. Ann. tit. 36, § 700-B includes a procedure for reimbursement for revenues lost under Section 694. Section 694 has been phased in over six years. The reimbursement was 100 percent in 2008, was reduced by 10 percent each year to 60 percent in 2012, and remained at 50 percent starting in 2013.

**MARYLAND**

TPP is exempt from state property tax. Md. Code ann. Tax-Prop. § 7-301.

Inventory is exempt from state property tax. Md. Code ann. Tax-Prop. § 7-222(a).

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Inventory is exempt from county tax, except that 35 percent of the assessment is taxable in Wicomico County. Md. Code Ann. Tax-Prop. § 7-222(b).

Inventory is subject to municipal tax unless exempted by the municipality’s governing body. Md. Code Ann. Tax-Prop. § 7-109(a).


Five of Maryland’s 23 counties do not tax TPP. All counties exempt inventory, Baltimore exempts inventory, and 69 out of 167 special districts exempt inventory.

County tax rates for TPP and operating real property shall be no more than 2.5 times the rate for real property. Md. Code Ann. Tax-Prop. § 6-302.

Tax credits for qualified personal property investments in a focus area in a designated enterprise zone are available for up to 10 years. The state shall reimburse to counties and municipalities 50 percent of the funds that would have been collected if the credits had not been granted Md. Code Ann. Tax-Prop. § 9-103.

Local governments may grant a property tax credit for a new or expanded manufacturing facility and for a new or expanded business in a priority funding area if the taxpayer acquires at least 5,000 square feet of additional space and creates at least 25 jobs. If the county has a population under 30,000, it must employ at least 10 individuals as well as the new or expanded premises. Md. Code Ann. Tax-Prop. §§ 9-205, -230.

MASSACHUSETTS

Most TPP of a manufacturing corporation is exempt. Towns may, by vote of their legislative bodies, exempt TPP of research and development corporations and some LLCs. Mass. Gen. Laws ch. 59, § 5, cl. 16 (3).

Most TPP owned by corporations, except machinery, is exempt. Mass. Gen. Laws ch. 59, § 5, cl. 16(2).

Inventory is exempt for most corporations under Mass. Gen. Laws ch. 59, § 5, cl. 16(2), (3). There is no corresponding exemption for inventory of a sole proprietor or an LLC, other than an LLC exempted by local option. Mass. Gen. Laws ch. 59, § 5, cl. 16 (3).

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Tangible Personal Property Tax Statutory References | TAX FOUNDATION

Towns, by votes of their legislative bodies, may exempt a minimum value of TPP from tax. The minimum value may not exceed $10,000. Mass. Gen. Laws ch. 59, § 5, cl. 54. Some 186 of 351 jurisdictions have adopted a minimum value.\textsuperscript{14}

**MICHIGAN**

Inventory is exempt from state property tax, except for inventory under lease. Mich. Comp. Laws § 211.9c.


Property is assessed at 50 percent of true cash value. Mich. Comp. Laws § 211.27a.

Beginning December 31, 2015, qualified new manufacturing personal property and qualified previously existing personal property are exempt from taxation. Mich. Comp. Laws § 211.9m.

Industrial or commercial personal property is exempt if the property is worth less than $80,000 in the local tax collecting unit. Mich. Comp. Laws § 211.9o.

Most TPP classified as commercial generally is exempt from up to 12 mills of school tax. Mich. Comp. Laws § 380.1211 (4).

Local jurisdictions may exempt investments in an industrial facility located in a plant rehabilitation or industrial development zone for up to 12 years. An industrial facility tax is imposed in lieu of property tax. Mich. Comp. Laws §§ 207.558 and 207.561.

Local jurisdictions may exempt property of a qualified start-up business for up to five years (Mich. Comp. Laws § 211.7hh), and property in an innovation center used by a high technology business (Mich. Comp. Laws § 211.9j).


TPP and real property in renaissance zones are exempt from most property taxes. Mich. Comp. Laws § 211.7ff.

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MINNESOTA

Most TPP is exempt from tax. Most taxable business TPP includes some electric generating equipment, pipeline systems, and railroad docks and wharves and flight property. Inventory is exempt because it is not listed as taxable property. Minn. Stat. §§ 272.02 and 272.03.

Class I is residential with a class rate of 1 to 1.25 percent. Class II property is agricultural with a class rate of 0.5 to 1 percent. Class III is commercial, industrial, and utility property with a class rate of 1.5 percent for property with a market value of up to $150,000, and 2 percent for property with a value in excess of $150,000. Class IV includes some multiunit housing and recreation facilities with a class rate of 0.25 to 1.25 percent. Class V is miscellaneous with a class rate of 2 percent. Market value is multiplied by the class rate and then multiplied by the local tax rate to determine the amount of tax.\(^{15}\)

MISSISSIPPI

There is no general inventory exemption. Motor vehicles in inventory of a motor vehicle dealer are exempt from the motor vehicle ad valorem tax. Miss. Code Ann. § 27-51-41.

Vessels in hands of a dealer that are not operating on waters are exempt. Miss. Code Ann. § 27-31-1(ee).

Counties that border the Gulf of Mexico may exempt TPP of hotels and motels for up to 10 years. Miss. Code Ann. § 27-31-103.

Local jurisdictions may exempt TPP of new enterprises, or expansion of new enterprises, including warehouses, distribution centers, manufacturing, refining, research, regional and national headquarters, movie studios, and facilities used for air transportation and maintenance, data processing, technology intensive industry, telecommunications, or health care industry, for up to 10 years. Miss. Code Ann. § 27-31-101 et seq.

In 2019, Mississippi repealed Miss. Code Ann. § 57-75-33. Before the provision was repealed, local jurisdictions could enter into tax exemption or fee in lieu of tax agreements with projects that invest at least $750 million and create at least 3,000 jobs for up to 30 years.

Local jurisdictions may exempt property tax of a furniture marketing or exhibition enterprise for up to 10 years Miss. Code Ann. § 27-31-47.

All real and TPP of a start-up business in telecommunications, research and development, or technology is exempt for up to five years while it is a tenant in a nonprofit technology incubator. Miss. Code Ann. § 27-31-1(jj).

Equipment used in the deployment of broadband technologies by a telecommunications enterprise, that is placed in service before July 1, 2020, shall be exempt from ad valorem taxation for a period of 10 years. Miss. Code Ann. § 57-87-7.

MISSOURI


Mo. Const. Art. X establishes classes and subclasses of property. Residential real property is assessed at 19 percent of true value, agricultural real property is assessed at 12 percent of true value, and commercial, industrial, and utility real property is assessed at 32 percent of true value. Mo. Rev. Stat. § 137.115(5).

Grain and other agricultural crops in an unmanufactured condition are assessed at one-half of 1 percent of true value. Farm machinery, livestock, and poultry are assessed at 12 percent of true value. Pollution control equipment and equipment for retooling in an enterprise zone are assessed at 25 percent of true value. Most other TPP is assessed at 33 1/3 percent of true value. Mo. Rev. Stat. § 137.115(3).

Any county or city not within a county may opt out of taxing personal property by an affirmative vote of the governing body of the county or city. Mo. Rev. Stat § 137.115(15).

MONTANA


Property is classified and the class percentage is multiplied against assessed value to determine taxable value. Fifteen classes of property are established. Mont. Code ann. §§ 15-6-131 to -162. Property is classified using the following categories:

- Class 4 property is most land and homes. In 2014, there was a homestead exemption of 47 percent of the market value up to a maximum exemption of $1.5 million, with the remaining market value taxed at a rate of 2.47 percent.\(^\text{16}\)
- Class 8 property is most commercial and industrial TPP. The Class 8 property of a taxpayer with $100,000 or less in Class 8 property is exempt from TPP tax. Class 8 property is taxed at 1.5 percent for the first $6 million of market value and 3 percent for market value in excess of $6 million.
- Class 9 property is most centrally assessed property of an electric, natural gas, or oil company that owns or operates transmission or distribution facilities, which is taxed at 12 percent. Mont. Code Ann. § 15-6-141.

- Class 13 property includes centrally assessed telecommunications property, and some electric generation property (other than generation through renewable sources), which is taxed at 6 percent. Mont. Code Ann. §15-6-156.
- Class 14 property includes facilities for electric generation through renewable energy, except facilities built without paying the prevailing wage for heavy construction. Class 14 property is taxed at 3 percent of market value. Mont. Code Ann. §15-6-157.

TPP of a company primarily in the business of renting TPP is exempt if the TPP was acquired for short-term rental purposes and the item has an acquired cost of less than $15,000. Mont. Code Ann. § 15-6-219(5).

Space vehicles and TPP to design, maintain, and launch are exempt. Mont. Code Ann. § 15-6-219(6).

A business incubator owned or leased and operated by a local economic development organization is eligible for an exemption from property tax. Mont. Code Ann. § 15-24-1802.

**NEBRASKA**


TPP of some businesses that invest at least $10 million and hire at least 75 new employees that qualify under the Nebraska Advantage Act is exempt. Neb. Rev. Stat. § 77-5725.

TPP used in assembling a data center for location out of state is exempt. Neb. Rev. Stat. § 77-202(10).

The Personal Property Tax Relief Act provides an exemption of the first $10,000 of tangible personal property value for each tax district in which a personal property return is filed by a taxpayer, in addition to an exemption factor for centrally assessed taxpayers. The act also created a reimbursement for taxes lost by counties and political subdivisions as a result of the exemption. Neb. Rev. Stat. § 77-1237 to -1239.

**NEVADA**


All real property and TPP is assessed at 35 percent of taxable value. Nev. Rev. Stat. § 361.225.

The Nevada Tax Commission may exempt TPP for which the annual tax is less than the cost of collecting. If this exemption is provided, then the Commission shall annually determine the average cost of collecting property taxes. Nev. Rev. Stat. § 361.068(2).

A city or county may approve, and the Office of Economic Development may approve, partial abatement of property tax for a new business in an underutilized business zone, redevelopment area, area eligible for a

The Office of Economic Development may approve applications of qualified new business for abatement of up to 50 percent of tax for up to 10 years. The level of eligible tax abatement varies with the amount of investment, whether the business is an industrial or manufacturing business, and the location of the qualified new business. Nev. Rev. Stat. § 361.0687.

The Office of Economic Development may approve applications of qualified new business or expanding business for partial abatement of property taxes if the business invests at least $250,000 or increases its TPP investment by at least 20 percent, employs at least 10 employees or increases its employees by at least 10 percent, and pays wages that are 100 percent of average state or county wages, if the business meets the Nevada State Plan for Industrial Development and Diversification and guidelines, and the Office receives a letter of acknowledgment from the affected county or local jurisdiction. For businesses in counties with a population of 100,000 or more and cities with 60,000 or more, qualified businesses must employ at least 50 employees or make a $1 million investment. Nev. Rev. Stat. § 360.750.

NEW HAMPSHIRE


NEW JERSEY

Most TPP is exempt from property tax. N.J. Stat. Ann. § 54:4-1 provides that the only TPP subject to property tax is the machinery and equipment used by a refinery to manufacture petroleum products from crude oil, and the TPP other than inventory of a telephone, telegraph, or messenger company that as of April 1, 1997 was subject to the public utility gross receipts tax.

NEW MEXICO

TPP subject to tax is defined generally as TPP used, produced, manufactured, held for sale, leased, or maintained by a person in a business, profession, or occupation and for which the person took a federal tax depreciation deduction in the previous year. Under this definition of TPP, most non-depreciable TPP, including inventory, is exempt from TPP tax. N.M. Stat. § 7-36-8.

The value of TPP may not be reduced below 12.5 percent of cost for property that is still used in the business. N.M. Stat. § 7-36-33.

Real property and TPP are assessed at 33 1/3 percent of full value to arrive at taxable value. N.M. Stat. § 7-37-3.
Property of a metropolitan redevelopment property project lessee is exempt for seven years from acquisition. N.M. Stat. § 7-36-3.1.

Property of an enterprise zone project lessee is exempt for up to 10 years. N.M. Stat. § 7-36.3.2.

The governing body of a county or municipality may exempt all or part of TPP of new business facilities for up to 20 years. N.M. Stat. § 3-64-3.

In general, tax rates on residential and nonresidential property should be identical, but because of limitations on tax increases in N.M. Stat. § 7-37-7.1, the rates may be different. N.M. STAT. § 7-37-7.

NEW YORK

TPP is exempt from property tax in New York. N.Y. Real Property Tax Law § 300.
NORTH CAROLINA

Most inventory is exempt. N.C. Gen. Stat. § 105-275(32a), (33), (34).

Tangible personal property imported from outside the U.S. and held in a Foreign Trade Zone for the purpose of sale, manufacture, processing, assembly, cleaning, grading, mixing, or display is exempt from TPP tax. N.C. Gen. Stat. § 105-275(23).

NORTH DAKOTA

Most business TPP is exempt from property taxes except TPP of any utility that is centrally assessed. N.D. Cent. Code § 57-02-08(25); N.D. Const. Art. X, § 4.

Machinery and equipment used for refining oil or gas is defined as real property and is taxable. N.D. Cent. Code § 57-02-04(3).

OHIO

TPP is exempt from property taxes. Ohio rev. Code Ann. § 5711.22.

OKLAHOMA

Household goods up to $100 are exempt. Counties may call a special election to vote to exempt household goods. Okla. Const. Art. X, § 6.

Inventory is assessed at the value of the average amount on hand in the previous year. Okla. Stat. tit. 68, § 2817(A).

A tax on parts of inventory of farm tractors and equipment is in lieu of TPP tax. Okla. Stat. tit. 68, § 2805(10).

A tax on new vehicle inventory is in lieu of TPP tax Okla. Stat. tit. 68, § 2805(11).

Property of newly acquired or expanded facility for manufacturing, research and development, aircraft repair and building, computer services, or data processing is exempt for up to five years if it meets several qualifications, including investing at least $250,000. Qualified distribution facilities may be exempt if at least $5 million is exempt. Okla. Stat. tit. 68, § 2902.

TPP used directly in production of asphalt, mineral ores, oil, gas, and uranium is exempt from TPP tax and instead a gross production tax is imposed. Okla. Stat. tit. 68 § 2805(5), (6).
Property of an oil refiner used to desulfurize gasoline or diesel fuel is excluded from TPP tax. Okla. Stat. tit. 68, § 2817(E).

There are five classes of property: real property, most TPP, TPP which consists of household TPP of a head of family and livestock to support the family in countries that have exempted this property, public service corporation property, and railroad and air carrier property. Okla. Stat. tit. 68 § 2803.

TPP is assessed at not less than 10 percent, but not more than 15 percent, of fair cash value, and real property is assessed at not less than 11 percent, but not more than 13.5 percent, of fair cash value. Okla. Const. Art. X, § 8.

OREGON


If the total TPP of a taxpayer in a county is assessed at less than $12,500, then the assessment is canceled. The $12,500 amount is adjusted for inflation for each year on and after July 1, 2003. OR. REV. STAT. § 308.250. As of 2019, the inflation-adjusted threshold is $17,000. This provision is projected to benefit more than 66,000 accounts in the 2019-2021 biennium.

Economic development incentives include qualified investments in enterprise zones under Or. Rev. Stat. § 285c.050 et seq. and qualified investments in a rural renewable energy development zone under Or. Rev. Stat. § 285C.350 et seq. Large projects may qualify for approval by the Oregon Economic Development Commission as a strategic investment development, which permits exemption for up to 15 years for property exceeding $25 million for investments greater than $25 million. The local jurisdiction and the taxpayer shall enter into an agreement for the taxpayer to pay 25 percent of the exempted taxes, up to $2 million, in lieu of taxes. Or. Rev. Stat. § 285C.600 et seq. and § 307.123.

PENNSYLVANIA


RHODE ISLAND

Manufacturing inventory is exempt. R.I. Gen. Laws. § 44-3-3(20).

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Retail and wholesale inventory are exempt. R.I. Gen. Laws. § 44-3-29.1

Tangible personal property is assessed at its original purchase price including all costs such as freight and installation, subtracting defined depreciation allowances. R.I. Gen. Laws. § 44-5.12.1

Rhode Island permits cities and towns to classify property. The tax rate for TPP cannot be more than 200 percent of the tax rate for other classes. R.I. Gen. Laws. § 44-5-11.8.

Office furniture, including computers and telephone equipment, which is used for manufacturing or commercial business, may be exempt wholly or partially by vote of the town council. R.I. Gen. Laws. § 44-3-3.1.

Manufacturing, commercial, or residential property that is new or expanded may be exempt or the taxes stabilized with the approval of voters in the town. R.I. Gen. Laws. § 44-3-9.

Machinery and equipment used exclusively in the manufacturing process or associated research and development or quality assurance acquired after 1974 is exempt. The town council may by ordinance exempt all or part of machinery and equipment purchased after 1997. R.I. Gen. Laws. § 44-3-3(22).

Property of a qualified business in an enterprise zone may be exempt, or the taxes stabilized, by the town council. R.I. Gen. Laws. § 42-64.3-9.


**SOUTH CAROLINA**


S.C. Code. Ann. § 12-37-935(B) establishes a Trust Fund for Tax Relief to reimburse local taxing entities for revenue not collected as a result of additional depreciation.

All new manufacturing facilities and expansions with an investment of $50,000 or more are exempt from county taxes for five years. S.C. Code. Ann. § 12-37-220(A)(7).

All new corporate offices and distribution facilities and expansion that invest at least $50,000 and create at least 75 new jobs, if certified by the Department of Revenue, are exempt from non-school county taxes for five years. S.C. Code Ann. § 12-37-220(B)(32). Municipalities may by ordinance exempt this property for five years. S.C. Code. Ann. § 12-37-220(B)(39).
New research and development facilities to research new or improved products, and additions to facilities with an investment of at least $50,000, are exempt from non-school county taxes for five years. S.C. Code. Ann. § 12-37-220(B)(34). Municipalities may by ordinance also exempt this property for five years. S.C. Code. Ann. § 12-37-220(B)(39).

Qualified new economic development projects may be exempt from tax pursuant to a fee agreement approved by a county council. S.C. Code. Ann. § 12-44-40.

South Carolina classifies property. Most TPP is assessed at 10.5 percent, and most farm machinery and equipment are assessed at 5 percent. Most residences are assessed at 4 percent, agricultural land owned by families and small businesses is assessed at 4 percent, most manufacturing and utility real property is taxed at 10.5 percent, and most other real property is taxed at 6 percent. S.C. Code. Ann. § 12-43-220.

**SOUTH DAKOTA**

TPP that is not centrally assessed is exempt from property tax. S.D. Codified Laws § 10-4-6.1.

Centrally assessed TPP that is subject to *ad valorem* taxation includes operating property of a railroad, flight property of an airline, operating property of utilities, and property of an oil or gas pipeline company. S.D. Codified Laws § 10-28-1, § 10-29-1, § 10-35-2, § 10-37-1 et seq.

**TENNESSEE**

Tenn. Const. Art II, § 28 establishes property tax classification. Utility real and personal property is assessed at 55 percent of value, industrial and commercial real property is assessed at 40 percent, residential and farm real property is assessed at 25 percent, industrial and commercial TPP is assessed at 30 percent, and all other TPP is assessed at 5 percent. Tenn. Code Ann. § 67-5-801, § 67-5-901.

Inventory is exempt from property tax. Tenn. Code Ann § 67-5-901(a).

Household goods are exempt in practice. Tenn. Code Ann. § 67-5-215 exempts $7,500 in value of household goods per individual. Tenn. Code Ann § 67-5-602(c)(2) provides that households goods and private motor vehicles may be assumed *prima facie* by the assessor as not exceeding $7,500 per individual.

**TEXAS**

Inventory is taxed. Texas tax code Ann. § 23.12.

UTAH

Inventory is exempt. Utah Code Ann. § 59-2-1114.

Farm equipment and machinery used primarily for agricultural production is exempt. Utah Code Ann. § 59-2-1111.

Each individual item of TPP with an acquisition cost of $1,000 or less, with a current value of 15 percent or less of acquisition cost, is exempt. TPP with an aggregate fair market value of $10,000 or less, except registered motor and recreational vehicles and mobile homes, is exempt. The $10,000 value is indexed for inflation and has been adjusted to $10,800 for 2019. Utah Code Ann. § 59-2-1115.

VERMONT


TPP is exempt from local property tax in most municipalities. Effective in 1992, Vermont authorized cities and towns to exempt inventory and other TPP from municipal taxes. The exemptions could be phased in over 10 years. The local option tax must be approved by a majority of voters. Vt. Stat. Ann. tit. 32, § § 3848-3849.

From 2013 to 2018, the number of municipalities taxing inventory has dropped from 34 to seven (about 3 percent of all municipalities), while the number of municipalities taxing machinery and equipment has fallen from 62 to 45 (about 18 percent of all municipalities).

VIRGINIA


Va. Code Ann. § 58.1-3506(A) lists 45 types of TPP. Subsection B provides the counties and cities may levy a tax on the listed property at rates that are different from the tax on other TPP. Va. Code Ann. § 58.1-3008 provides

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that counties and cities may levy tax rates on real estate that are different from tax rates on inventory and other TPP.

Cities or counties may exempt household goods from property tax. Va. Code Ann. § 58.1-3504. We found no jurisdiction that currently taxes household goods.

Counties or towns may impose a license tax in lieu of tax on a merchant’s capital (inventory). Va. Code Ann. § 58.1-3704.

Fifty-four of 95 counties do not tax inventory, and six counties do not tax machinery and tools. All of Virginia’s 39 cities exempt inventory, and four cities exempt machinery and tools. Of 191 towns, 179 exempt inventory, 112 exempt machinery and tools, and 74 exempt TPP. For comparison, Local Tax Rates Tax Year 2009 shows that 50 of 95 counties exempted inventory, and one county did not tax machinery and tools. All but one of Virginia’s 39 cities exempted inventory and two cities exempted machinery and tools. Of 191 towns, 177 exempted inventory, 72 exempted machinery and tools, and 46 exempted TPP.21

WASHINGTON

Inventory is exempt from property tax. Wash. Rev. Code § 84.36.477.

A head of household has a $15,000 exemption for property other than household effects, mobile homes, and motor vehicles. Wash. Rev. Code § 84.36.110. This exemption is available to a corporation or LLC. Wash. Admin. Code. § 458-16-115(3).

Personal property worth $500 or less is exempt from property tax. Wash. Rev. Code § 84.36.015.

Semiconductor machinery and equipment is exempt from property tax if the semiconductor fabrication facility maintains at least 75 percent of full employment at the new building during the time in which the exemption is claimed. Wash. Rev. Code § 84.36.645; Wash. Rev. Code § 82.08.965.

WEST VIRGINIA

All property, except public service businesses, is assessed at 60 percent of true and actual value. W.VA. Code § 11-3-1.

Property is divided into classes: I – TPP used in agriculture; II – residential and farm property; III – real and TPP, that is not class I or II property, inside a municipality; IV – real and TPP, which is not class I or II property, inside a municipality. W.VA. Code § 11-8-5.

Taxes may not exceed 50 cents per $100 of assessed value for Class I, $1 for Class II, $1.50 for Class III, and $2 per $100 of assessed value for Class IV, plus certain excess and bond levies. W.VA. Code § 11-8-6.

**WISCONSIN**

Inventory is exempt from property tax. Wis. Stat. § 70.111(17).

Machinery and equipment used directly and exclusively in the manufacturing process is exempt from property tax. WIS. STAT. § 70.11(27). Farm machinery and equipment are also exempt from property tax. Wis. Stat. § 70.111(10).

In 2018, Wisconsin exempted non-manufacturing machinery, tools, and patterns from personal property tax. Wis. Stat. §70.111(27)(b).

Computers and software are also exempt from property tax. Wis. Stat. § 70.11(39). Cash registers and fax machines are also exempt from property tax. Wis. Stat. § 70.11(39m).

Property leased by the Wisconsin Aerospace Authority is exempt from property tax. Wis. Stat. § 70.11(38m).

Motor vehicle and airplanes are exempt from personal property tax in lieu of a special tax assessed on these items. Wis. Stat. § 70.112.

**WYOMING**


Wyoming has assessment ratios. The taxable value is 100 percent of gross products of minerals and mines, 11.5 percent of fair market value of industrial property, and 9.5 percent of fair market value for all other real property and TPP. Wyo. Stat. Ann. § 39-11-101.