

2. GENERAL INFORMATION

- A. **WHO MUST FILE A RETURN.** This Form of List (State Tax Form 2) must be filed each year by all individuals, partnerships, associations, trusts, corporations, limited liability companies and other legal entities that own or hold taxable personal property on January 1 unless required to file another local or central valuation personal property return as follows. Pipeline and telephone and telegraph companies that own taxable personal property subject to central valuation under G.L. c.59, §§ 38A or 41 must file a personal property return with the Massachusetts Department of Revenue listing such property. Any other taxable personal property owned by such pipeline or telephone and telegraph companies must be reported on this return. Taxable personal property of mobile wireless telecommunications companies must be reported on State Tax Form 2MT. Individuals who own or hold household furnishings and effects not situated at their domicile on January 1 must file State Tax Form 2HF. Business or other taxable personal property owned by individuals must be reported on this return. Literary, temperance, benevolent, charitable or scientific organizations that may be entitled to an exemption under G.L. c. 59, § 5 Clause 3 must file State Tax Form 3ABC listing all property they own or hold for those purposes on January 1.
- B. **WHEN AND WHERE RETURN MUST BE FILED.** This return must be filed by March 1 with the board of assessors in the city or town where the personal property is situated on January 1. If the property has no situs on January 1, it must be listed on a return filed with the assessors in the city or town where you are domiciled (legal residence or place of business). A return is not considered filed unless it is complete.
- C. **EXTENSION OF FILING DEADLINE.** The board of assessors may extend the filing deadline if you can show sufficient reason for not filing on time. The latest date the filing deadline can be extended is 30 days after the tax bills are mailed for the fiscal year. Requests for an extension must be made in writing to the assessors.
- D. **PENALTY FOR FAILURE TO FILE OR FILING LATE.** If you do not file a return for the fiscal year, the assessors cannot grant an abatement for overvaluation of the personal property for that year. If the return is not filed on time, the assessors can only grant an abatement if you show a reasonable excuse for the late filing or the tax assessed is more than 150% of the amount that would have been assessed if the return had been timely filed. In that case, only the amount over that percentage can be abated. You can avoid this penalty by filing on time.
- E. **USE AND ACCESS TO RETURN.** The information in the return is used by the board of assessors to determine the taxable or exempt status of your personal property and, if taxable, its fair market value. You may also be required to provide the assessors with further information about the property in writing and asked to permit them to inspect it.
- Personal property information listed in Schedules A-I is not available to the public for inspection under the state public records law. It is available only to the assessors and Massachusetts Department of Revenue for purpose of administering the tax laws.**

3. TAXABLE PERSONAL PROPERTY

In general, all tangible personal property situated in Massachusetts and all tangible personal property owned by Massachusetts domiciliaries is taxable unless expressly exempt. [G.L. c.59, §§ 2 & 18]. Exemptions are usually based on (1) ownership, (2) type of property, or (3) use of property. The following chart summarizes the personal property that is taxable and must be listed in the return. If you have any questions about the taxable status of your personal property, please contact your board of assessors.

A. INDIVIDUALS, PARTNERSHIPS, ASSOCIATIONS, TRUSTS, & LIMITED LIABILITY COMPANIES filing for federal income tax purposes as individuals, partnerships or disregarded entities; and other non-corporate entities.	All tangible personal property requested in the schedules that follow. Individuals are entitled to an exemption for (1) household furniture and effects at the place of their domicile, (2) farm utensils, (3) tools of a mechanic's trade, and (4) boats, fishing gear and nets up to a value of \$10,000 owned and actually used in the individual's business if engaged exclusively in commercial fishing. [G.L. c.59, § 5, cl. 20].
B. BUSINESS CORPORATIONS as defined in G.L. c. 63, §30 and taxable under G.L. c. 63, §39, including Massachusetts and out-of-state corporations treated as such for federal income tax purposes and LIMITED LIABILITY COMPANIES and other unincorporated entities treated as corporations for federal income tax purposes, but not including corporations or entities treated as corporations for federal income tax purposes described in C & D below.	Poles, underground conduits, wires and pipes. All "machinery" used in the conduct of business, <u>except</u> machines that are: 1) Stock in trade. 2) Used directly in dry cleaning or laundering processes, to refrigerate goods or to air condition premises, or 3) Used directly in purchasing, selling, accounting or administrative functions. [G.L. c. 59, §5, cl. 16(2)].
C. MANUFACTURING CORPORATIONS and LIMITED LIABILITY COMPANIES and other unincorporated entities treated as corporations for federal income tax purposes that are manufacturers as defined by G.L. c. 63, § 42B and classified as "manufacturing" by the Department of Revenue under G.L. c. 58, § 2 after application. See State Tax Form 355Q.	Poles, underground conduits, wires and pipes. All tangible personal property used in the manufacture or generation of electricity except property that: 1) Is a cogeneration facility of 30 megawatts or less in capacity, or 2) Was exempt because of a manufacturing classification effective on or before January 1, 1996. [G.L. c.59, §5, cl. 16(3)].
D. ALL OTHER MASSACHUSETTS CORPORATIONS subject to taxation under G.L. c. 63, including financial institutions, insurance companies, savings and cooperative banks and utility corporations and ALL OTHER OUT-OF-STATE CORPORATIONS subject to taxation under G.L. c. 63, §§ 20, 23, 52A & 58, including utility, public service and insurance companies (if state of incorporation or principal place of business if incorporated in foreign country exempts similar tangible personal property of Massachusetts insurance companies), but not including unincorporated entities treated as corporations for federal income tax purposes that are subject to tax under G.L. c. 63 as financial institutions, utility or insurance companies.	Poles, underground conduits, wires and pipes. Machinery used in manufacture, or in supplying or distributing water. [G.L. c. 59, § 5, cl. 16(1)].
E. OUT-OF-STATE INSURANCE CORPORATIONS if the state of incorporation or principal place of business if incorporated in a foreign country does not exempt tangible personal property of Massachusetts insurance companies and UNINCORPORATED FINANCIAL INSTITUTIONS, UTILITY OR INSURANCE COMPANIES treated as corporations for federal income tax purposes.	All tangible personal property requested in the schedules that follow. [G.L. c. 59, § 5, cl. 16(1)].

4. INSTRUCTIONS FOR COMPLETING SCHEDULES

List all items of taxable personal property owned or held on January 1 in the appropriate schedules that follow, including items in your physical possession on that date under a lease, consignment, license, mortgage, pledge or other arrangement. You must also list all real property owned in the city or town on January 1. For your return to be considered complete, all information specified in the schedules except the "Estimated Market Value" must be provided and all copies of leases, consignments, etc., for any property in your possession under such arrangements must be attached.

- A. **POLES, UNDERGROUND CONDUITS, WIRES AND PIPES.**
- B. **MACHINERY.** Including manufacturing and generating machinery and equipment (turbines, engines, etc.), construction machinery, copying and reproduction equipment, automated data and word processing equipment, appliances (freezers, refrigerators, air conditioners, etc.), electronics (televisions, microwaves, etc.) and any other machines and mechanical devices.
- C. **TOOLS AND EQUIPMENT.** Includes trade, business, or professional tools and equipment, including restaurant, laboratory and medical equipment, not listed as machinery.
- D. **BUSINESS FURNITURE AND FIXTURES.** Includes business, professional, commercial or service fittings and furnishings (desks, tables, cabinets, display cases), rugs, floor coverings and draperies, lamps, specialized lease-hold improvements (restaurant fittings, modular walls, etc.), works of art and decorations, books and professional libraries and all other fittings and effects.
- E. **MERCHANDISE.** Includes goods, wares, or stock in trade in any store or other place of sale, in any warehouse or other place of storage, out on lease or consignment, etc.
- F. **UNREGISTERED MOTOR VEHICLES AND TRAILERS.** Includes motor vehicles not carrying Massachusetts registration plates under G.L. c. 90, unregistered agricultural (except those subject to the farm excise under G.L. c. 59, § 8A) and industrial tractors, trailers, snowmobiles, motorized golf carts and all other unregistered vehicles.
- G. **ANIMALS.** Includes (1) mules and horses one year or older, (2) neat cattle (cows, yearlings, bulls, steers, heifers, etc.) one to three years old and not held for the owner's personal consumption, (3) neat cattle three years or older, (4) swine, sheep and goats six months or older, (5) domestic fowl (chickens, ducks, geese, turkey), and (6) all other domestic animals, wildlife and gamefish (mink, fox, etc.) not subject to the farm excise under G.L. c. 59, § 8A.
- H. **FOREST PRODUCTS.** Includes forest products severed from the soil such as cordwood, timber, Christmas trees and other forest products not subject to the classified forest products tax under G.L. c. 61.
- I. **OTHER TAXABLE PERSONAL PROPERTY.** Includes all other tangible personal property not specifically exempt from taxation.
- J. **REAL PROPERTY.** Includes all real property owned in the city or town on January 1.

A. POLES, UNDERGROUND CONDUITS, WIRES AND PIPES

*Own/ Other	Type	Quantity/ Run Feet	Size	Make	Nature of use	Years Installed	**Year of Manufacture	Year of Purchase	Purchase Price	Estimated Market Value
Continue list on attachment, in same format, as necessary.								Subtotal Schedule A		
								Subtotal attachment		
								TOTAL		

B. MACHINERY

*Own/ Other	No.	Description	Nature of Use	Manufacturer	Model	**Year of Manufacture	Year of Purchase	Purchase Price	Estimated Market Value
Continue list on attachment, in same format, as necessary.							Subtotal Schedule B		
							Subtotal attachment		
							TOTAL		

C. TOOLS AND EQUIPMENT

*Own/ Other	No.	Description	Nature of Use	Type/Model	**Year of Manufacture	Year of Purchase	Purchase Price	Estimated Market Value
Continue list on attachment, in same format, as necessary.						Subtotal Schedule C		
						Subtotal attachment		
						TOTAL		

D. BUSINESS FURNITURE AND FIXTURES

*Own/ Other	No.	Description	**Year of Manufacture	Year of Purchase	Purchase Price	Estimated Market Value
Continue list on attachment, in same format, as necessary.				Subtotal Schedule D		
				Subtotal attachment		
				TOTAL		

E. MERCHANDISE

*Own/ Other	Type	Description	**Year of Manufacture	Year of Purchase	Purchase Price	Estimated Market Value
	Finished goods or products					
	Work in progress					
	Materials or supplies					
Continue list on attachment, in same format, as necessary.				Subtotal Schedule E		
				Subtotal attachment		
				TOTAL		

F. UNREGISTERED MOTOR VEHICLES AND TRAILERS

*Own/ Other	Model, name, letter or number	Make	Type: Describe sufficiently for identification giving number of passengers, number of doors and type of body. If not required to be registered, so state and name use.	No. of cylinders or rated capacity	**Year of Manufacture	Year of Purchase	Purchase Price	Estimated Market Value
Continue list on attachment, in same format, as necessary.						Subtotal Schedule F		
						Subtotal attachment		
						TOTAL		

*Specify if property owned, leased, consigned, etc. and attach copies of lease or other agreement with owner.

**List property by most recent to earliest year of manufacture

