

## PERSONAL PROPERTY ASSESSMENT

## 601. Background

601.1 At the present time the only personal property listed and assessed by the tax assessor is machinery and equipment exclusive of inventories, used in the business of "local exchange telephone companies", telegraph and messenger systems companies. "Local exchange telephone companies" are defined as telecommunications carriers providing dial tone and access to substantially all of a local telephone exchange. Prior to 1966, however, almost all tangible personal property was taxable locally. During 1966 legislation was enacted which exempted household personal property, personal property not used in business other than household personal property, personal property used in the business of farming and all goods held as inventory. As a result of the 1966 legislation business personal property, exclusive of inventories, except that used in the business of telephone, telegraph, and messenger systems corporations, is to be assessed, and the taxes therefrom collected by the Director of the Division of Taxation. The taxes lost to municipalities through removal of authority to assess most types of personal property were replaced by revenue raised from four State administered taxes: (1) a tax on unincorporated businesses; (2) a tax on business personal property; (3) a tax on retail gross receipts; and (4) an increase in the corporation business tax.

Municipalities were assured they would receive no less than the largest amount each respectively had received in any of the four years of 1964, 1965, 1966 or 1967 from the local levy on personal property. Subsequently (1976) as part of the New Jersey Gross Income Tax Act the law was changed to pro-

vide for annual State distribution of replacement revenues to municipalities which would not be less than those which were certified by the Director of the Division of Taxation for payment to municipalities on October 15, 1976. At the same time the Unincorporated Business Tax and the Retail Gross Receipts Tax were repealed. More recently (1989) legislation limited the taxation of telephone companies to "local exchange telephone companies" which are defined as telecommunication's carriers providing dial tone and access to substantially all of a local telephone exchange. In addition to the State administered taxes described, certain business personal property remained subject to assessment at the municipal level (see paragraph 602.13 and section 603.1 et seq.)

REFERENCES:

Local Property Tax Bureau News, July-August, 1966, p.1.

602. Basis of Personal Property Assessment

602.1 Statutory provisions. As a general rule, personal property is all property which is not attached to the land or to a building, structure, or improvement to the land in some permanent manner. It includes all movable machinery or equipment which is not constructed as an integral part of the building, structure, or super-structure, and which is removable without material injury. Any tank having a capacity of more than 30,000 gallons is deemed to be real property. The line of demarcation between real and personal property is not always clear. In doubtful cases, assessors should consult their municipal attorneys for guidance (See: Section 204.2).

Although some tangible personal property is taxable in New Jersey, intangible personal property, such as cash, accounts receivable, and securities has not been taxable under the property tax laws of this State since 1945.

The Constitution of New Jersey provides that all property shall be assessed under general laws and by uniform rules, and that real property shall be assessed according to the "same standard of value." Since personal property is not subject to the "same standard of value" requirement applicable to real property, the Legislature, in adopting general laws and uniform rules with respect to the assessment of personal property, has, over the years, provided for differing treatment for several major categories of tangible personal property such as: household personal property and personal effects; personal property not used in business other than household personal property; personal property, excepting inventories, used in the business of local exchange telephone, telegraph and messenger systems companies; and personal property used in all other types of business, excepting inventories, motor vehicles and farm personal property.

REFERENCES:

Constitution of New Jersey, Article VIII, Section 1, Paragraph 1.  
Exemption of Intangible Personal Property, Chapter 163, Laws of 1945;  
Chapter 2, Laws of 1989.  
N.J.S.A. 54:4-1.  
N.J.A.C. 18:12-10.2

602.11 Household personal property and effects. Household personal property and personal effects were taxable by local assessors for many years. Statutes enacted in 1960 provided for the optional elimination by municipal ordinance of assessments against household personal property and personal effects. The majority of New Jersey municipalities voluntarily eliminated household personal property assessments, so that by tax year 1966 only 12 municipalities assessed this type of personal property. Beginning with the tax year 1967 the Legislature eliminated the assessment of household personal property and personal effects altogether. This exemption continues in force

at this time.

REFERENCES:

Local Property Tax Bureau News, April-May, 1966, p. 1; April-May, 1967, p. 4.

602.12 Personal property not used in business other than household personal property. Personal property of this type was eliminated from taxation in 1966 by Act of the Legislature.

602.13 Local exchange telephone, telegraph and messenger systems companies personal property. Business personal property of this type, except for inventories, is assessable at the local level by the tax assessor. Taxable value of this class of personal property is calculated by the local tax assessor, is placed in the tax list, and becomes part of the ratables of the municipality in which it is situated. (see Section 603.1 et seq.).

REFERENCES:

N.J.S.A. 54:4-1, 54:4-2.44 et seq.

602.14 Other business personal property. Machinery and equipment situated in New Jersey is assessed and taxed by the Division of Taxation, State of New Jersey. Owners of business personal property other than telephone, telegraph and certain messenger systems companies are required to file with the Division of Taxation a statement (Form BPT-1, see Exhibit VI-1) showing the original cost of their personal property used in business. Business inventories are not required to be reported and are not taxed, nor are motor vehicles or any personal property used in the business of farming.

- (1) The tax imposed is calculated by multiplying a rate of \$1.30 per hundred dollars times 50% of the original cost of personal property used in business.
- (2) Acquisitions of machinery and equipment by businesses after January 1, 1977 are not required to be reported, and are thereby effectively eliminated from impingement of the tax on business personal property.

(3) An individual who is a qualified veteran and is also the owner of taxable business personal property may apply his \$50 veteran deduction or any portion thereof against the tax levied against him as the owner of business personal property.

REFERENCES:

N.J.S.A. 54:11A-1 et seq.

Constitution of New Jersey, Article VIII, Section 1, paragraph 3.

603. Local Assessment of Personal Property Used in Business

603.1 Taxpayers subject to local business personal property assessment. Taxpayers subject to local assessment for their business personal property are local exchange telephone, telegraph and messenger service companies, corporations and associations who are subject to franchise taxes on their gross receipts (Chapter 4, Laws of 1940). Examples of such taxpayers are New Jersey Bell Telephone Company, Western Union Company, Inc., and others.

REFERENCES:

N.J.S.A. 54:4-1, 54:4-2.44 et seq.

603.2 Standard of value. The standard of value at which locally assessable business personal property is to be assessed is the true value of the property. The true value is the original cost of the business personal property less depreciation as shown on the books and records of the company owning the personal property. The true value of business personal property to be reported by the taxpayer may not be less than 20% of its original cost so long as it remains in use.

REFERENCES:

N.J.S.A. 54:4-2.44, 54:4-2.45.

603.3 Assessment date. The true value or net book value of business personal property is to be determined annually as of January 1. This date is the date as of which assessment is to be made with respect to the taxes pay-

able in the succeeding year. Therefore the assessment date for business personal property taxes to be placed on the 1980 list is January 1, 1979.

REFERENCES:

N.J.S.A. 54:4-2.45, 54:4-2.46.

603.4 Taxpayers required to file a return. Each local exchange telephone, telegraph and messenger system company, corporation or association subject to Franchise Tax and owning tangible goods and chattels, exclusive of inventories, is required to file a return annually with the tax assessor. The return form, which is promulgated by the Director of the Division of Taxation, is designated Form PT-10 (See Exhibits VI-2 and VI-3). Since only a few of such forms are needed for each taxing district, the Local Property and Public Utility Branch furnishes the Form PT-10 to taxpayers required to report their personal property to local tax assessors.

REFERENCES:

N.J.S.A. 54:4-2.48.

603.41 Separate returns required. Taxpayers required to file a return must file a separate return with the tax assessor of each municipality in which they hold tangible personal property used in business, exclusive of inventories, which is owned by them on the assessment date.

REFERENCES:

N.J.S.A. 54:4-2.48.

603.42 Due date for filing return forms. The return Form PT-10 must be filed by the taxpayer on or before September 1, of the pretax year with the assessor of the taxing district in which business personal property is located.

REFERENCES:

N.J.S.A. 54:4-2.48.

603.43 Extension of time for filing. The assessor may, upon request made to him on or before September 1 of the pretax year provided good cause is shown, extend the time to file a Form PT-10 up to the end of a 2-month period

next following September 1 of the pretax year.

REFERENCES:

N.J.S.A. 54:4-2.49.

603.5 Value to be reported. The value of depreciable machinery, implements and equipment as reported to the Internal Revenue Service for federal income tax purposes for the year immediately prior to the tax year for which the PT-10 is being filed is the value which must be reported and which forms the basis for calculation of the taxable value of this type of property (See line 8, Exhibits VI-2 and VI-3).

REFERENCES:

N.J.S.A. 54:4-2.45.

Form PT-10, Instructions To Taxpayer, 3.

603.51 Property depreciated below 80% of original cost but not fully depreciated. The figure, developed by taking the difference between 20% of the original cost of this category of business personal property and the amount reported in with the original total of depreciated personal property but depreciated beyond 80% of its original cost, must be reported on the PT-10 return form (See line 6, Exhibit VI-2).

REFERENCES:

N.J.S.A. 54:4-2.45.

Form PT-10, Instructions To Taxpayer.

603.52 Property fully depreciated. Taxable personal property which has been fully depreciated on the taxpayer's books but which was in use or being held for use must be reported at not less than 20% of original cost to the taxpayer (See line 7, Exhibits VI-2 and VI-3)

REFERENCES:

N.J.S.A. 54:4-2.44, 54:4-2.45.

Form PT-10, Instructions To Taxpayer, 5.

603.53 Assessor to review Form PT-10. Once filed by the taxpayer, the assessor must review and audit the figures contained on the Form PT-10 filed with him. This review and audit must be completed by January 10 at which time the taxable value of business personal property is placed on the tax list and becomes a part of the ratables of the municipality.

REFERENCES:

N.J.S.A. 54:4-2.48.

603.54 Power of subpoena. The assessor and the county board of taxation have the power to subpoena any person or officer of a corporation to appear and produce any books and papers concerning the taxable property of persons or corporations. If a person refuses to comply with the subpoena, the assessor may apply to the Superior Court or County Court for an order compelling appearance. The person so subpoenaed may be examined under oath by the assessor.

REFERENCES:

N.J.S.A. 54:4-16, 54:4-17.

603.6 Taxable situs. Business personal property subject to taxation locally is to be taxed in the taxing district where it has acquired permanent location. This is a question of fact which must be resolved by consideration of all the circumstances in the particular case. Situs for tax purposes does not include property found temporarily, casually or in mere transition in the community.

603.7 Penalties. In any situation where a taxpayer owning personal property used in the business of a local exchange telephone, telegraph or messenger systems companies refuses or neglects to file a return Form PT-10, the tax assessor should value the taxpayer's taxable personal property at such an amount as the assessor may, from any information available to him, reasonably determine to be the taxable value of such property. A taxpayer who does not file a

Form PT-10 by September 1 of the pretax year will be penalized \$100.00 for each day the form remains unfiled beyond that date. However, the total of the penalty may not exceed 25% of the amount of the tax, or \$100 whichever of these two amounts is the greater. The penalties are to be assessed by the assessor and are to be added to and become a part of the tax. As with the regular property tax, any penalties once imposed and assessed by the are payable to and recoverable by the tax collector.

REFERENCES:

N.J.S.A. 54:4-2.49.

603.8 Calculation of the tax. Taxable value of locally assessed personal property used in business is to be calculated by the tax assessor from figures contained on the Form PT-10 once the assessor is satisfied as to the correctness of those figures. The method of calculating the taxable value will differ depending upon whether or not a revaluation or reassessment has been placed upon the tax list for the particular year at issue.

REFERENCES:

N.J.S.A. 54:4-2.47.

Form PT-10, Instructions To Assessor, A and B.

603.81 Where no revaluation or reassessment has been implemented. To calculate the taxable value of personal property used in business for a municipality which has not placed a revaluation on its tax list, the lower of the county percentage level or the Director's State school aid ratio promulgated October 1 of the pretax year shall be multiplied times the net book value (line 8, Form PT-10 Exhibit VI-2) reported by the taxpayer. Exhibit VI-2 shows a completed return form with a taxable value calculated for an un-revalued taxing district.

REFERENCES:

N.J.S.A. 54:4-2.47.

Form PT-10, Instruction To Assessor, B.

603.82 Where a revaluation or reassessment has been implemented. To calculate the taxable value of personal property used in business in cases where a district-wide adjustment of real property taxable values has been placed in effect to conform to the percentage level established in the county, the percentage level so established will be multiplied times the net book value (line 8, Form PT-10 Exhibit VI-3) reported by the taxpayer. Exhibit VI-3 shows a completed return form with a taxable value calculated for a taxing district which has completed and placed a revaluation on its tax list, in a county where the county board of taxation has established a 100% percentage level.

REFERENCES:

N.J.S.A. 54:4-2.47.

Form PT-10, Instructions To Assessor, A.

603.9 Listing of personal property used in business. Upon completion of the review and audit of figures filed with him by business personal property taxpayers, and once having calculated the taxable values of personal property used in business, the assessor shall include such taxable values in his tax list and duplicate to be filed with the county board of taxation January 10 of the tax year.

REFERENCES:

N.J.S.A. 54:4-2.49.

603.91 Tax rate to be applied. The taxable value of personal property used in business (see 603.81 or 603.82) is to be multiplied by and taxed at the general tax rate of the taxing district in which such personal property is found.

REFERENCES:

N.J.S.A. 54:4-2.47, 54:4-2.48.

604. Equalization of Locally Assessed Personal Property Used in Business

604.1 County equalization. Locally assessed business personal property is equalized separately from real property by each county board of taxation, and is shown separately in the equalization table promulgated by each county board of taxation.

REFERENCES:

N.J.S.A. 54:3-17(f) through (i).

604.11 Aggregate assessed value. The assessed value of all individual items of locally assessed business personal property in each separate municipality are verified and are totaled to develop an aggregate assessed value for such property for each municipality respectively.

REFERENCES:

N.J.S.A. 54:3-17.

604.12 Aggregate true value. The county board of taxation calculates the aggregate true value of locally assessed business personal property by dividing the aggregate assessed value of such property in each particular taxing district in the county by the lower of either the county percentage level or the Director's State School Aid Ratio promulgated October 1 of the pretax year.

REFERENCES:

N.J.S.A. 54:3-17.

604.13 Aggregate equalized valuation. The aggregate equalized valuation of locally assessed business personal property is computed by multiplying the aggregate true value of such property (see paragraph 604.12) by either the county percentage level or the Director's State School Aid Ratio promulgated October 1 of the pretax year. Whichever of the two percentages is the lower is that percentage which is used in the calculation.

REFERENCES:

N.J.S.A. 54:3-17.

604.2 State equalization. The taxable value of locally assessed business personal property is added to and becomes a part of the equalized valuation for each taxing district in which it is situated. In the Director's Table of Equalized Valuations the aggregate assessed value of business personal property is added to the equalized value of real property for each taxing district. To this sum the true value of Class II railroad property is further added to arrive at a taxing district's equalized value.

REFERENCES:

N.J.S.A. 54:1-35.2.

# EXHIBITS

Handbook for New Jersey Assessors

EXHIBIT VI-1: Business Personal Property Return Form BPT-1

FRONT

19  
BPT

FOR OFFICIAL USE ONLY

ANNUAL  
RETURN

NEW JERSEY BUSINESS PERSONAL PROPERTY TAX

THIS RETURN DUE FEBRUARY 15, \_\_\_\_\_ OMT CENTS - LINES 1 TO 4

MAKE CHECKS PAYABLE TO:  
STATE OF NEW JERSEY - BPPT  
CN-242  
TRENTON, N.J. 08646-0242

IDENTIFICATION NUMBER \_\_\_\_\_  
NAME \_\_\_\_\_  
TRADE NAME (IF APPLICABLE) \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY AND STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

BPT-1 M (REV. 2-88)

1	ORIGINAL COST - DO NOT INCLUDE REAL PROPERTY, INVENTORIES OR OTHER EXEMPT PROPERTY LISTED AT INST. 1C	\$	
2	POLLUTION ABATEMENT EQUIPMENT - SEE INST. 2		
3	TAXABLE PROPERTY - LINE 1 LESS LINE 2 - SEE INST. 3	\$	
4	TAXABLE VALUE - 50% OF LINE 3 - SEE INST. 4	\$	
5	TAX RATE - (\$1.30 PER \$100.00) - SEE INST. 5		.013
6	TAX LIABILITY - LINE 4 MULTIPLIED BY LINE 5 - SEE INST. 6	\$	
7	VETERAN'S TAX DEDUCTION - (\$50.00 MAXIMUM) SEE INST. 7		
8	TAX LIABILITY - LINE 6 LESS LINE 7 - SEE INST. 8	\$	
9	PENALTY AND INTEREST		
10	AMOUNT DUE - SEE INST. 10	\$	
	FOR OFFICIAL USE ONLY		

BOTH SIDES OF THIS RETURN MUST BE COMPLETED.

BACK

DID YOU HAVE IN YOUR POSSESSION ON OCTOBER 1, OF LAST YEAR, ANY ITEMS OF TANGIBLE PERSONAL PROPERTY WHICH WERE LEASED BY YOU FROM ANOTHER BUSINESS ENTITY? ( ) YES ( ) NO - SEE INSTRUCTION 1C, ITEM 6. IF YES, SUBMIT A RIDER INDICATING THE FULL NAME AND ADDRESS OF THE LESSOR (OWNER) AND A DESCRIPTION OF THE PROPERTY.

DATE TAXPAYER COMMENCED DOING BUSINESS IN NEW JERSEY ..... MO. YR.

DATE TAXPAYER CEASED OWNING TAXABLE PERSONAL PROPERTY IN NEW JERSEY ..... MO. YR.

IF TAXPAYER HAS SOLD ITS BUSINESS OR OTHERWISE TRANSFERRED ITS ASSETS PRIOR TO OCTOBER 1, OF LAST YEAR, INDICATE HERE THE DATE OF SALE OR TRANSFER AND NAME OF THE PURCHASER OR TRANSFEREE.

Under the penalties of perjury, I declare that I have examined this return, including accompanying schedules and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

DATE \_\_\_\_\_ TAXPAYER'S SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_  
DATE \_\_\_\_\_ PREPARER'S SIGNATURE, (IF OTHER THAN TAXPAYER) \_\_\_\_\_ ADDRESS \_\_\_\_\_  
PREPARER'S I.D. NO. \_\_\_\_\_

EXHIBIT VI-2  
Unrevalued Taxing District

FORM PT-10

Assessor's Code No.  
1989-5

TAX  
YEAR 1990

RETURN OF TANGIBLE PERSONAL PROPERTY USED IN BUSINESS  
BY

LOCAL EXCHANGE TELEPHONE COMPANIES, AND TELEGRAPH AND MESSENGER SYSTEMS, COMPANIES,  
CORPORATIONS OR ASSOCIATIONS SUBJECT TO TAX UNDER CHAPTER 4 LAWS OF 1940, AS AMENDED  
(N.J.S.A. 54:4-1, as amended)

Clearwater Township  
Taxing District (Municipality)

Sussex, New Jersey  
County

FORWARD THIS RETURN ON OR BEFORE SEPTEMBER 1, 1989 TO THE MUNICIPAL ASSESSOR 7

Taxpayer's Name and Address (Type or Print)

Assessor's Address

Loud and Clear Telephone Company, Inc.  
620 Broad Street  
Elizabeth, New Jersey

Harvey Baker  
Municipal Building  
Clearwater, New Jersey

Name and address of person or office to be contacted for information regarding this return.

SCHEDULE A - DEPRECIATED VALUE OF MACHINERY, EQUIPMENT, FURNITURE, FIXTURES AND OTHER DEPRECIABLE  
PERSONAL PROPERTY TAXABLE IN THIS TAXING DISTRICT AS OF JANUARY 1, 1989.

ITEM	VALUE
1. Original cost of taxable Tangible Personal Property Used in Business, owned as of January 1, 1989.	\$ 525,000.
2. Depreciation reserve on taxable Tangible Personal Property Used in Business allowed as of January 1, 1989.	225,000.
3. Net Value. (line 1 minus line 2).	\$ 300,000.
4. Adjustments. (See Instruction 4).	-----
5. Adjusted net value. (line 3 plus or minus line 4).	\$ 300,000.
6. Additional value of depreciable personal property in use, or held for use, and depreciated below 80% of original cost to the taxpayer, but not fully depreciated as of January 1, 1989. Enter 20% of original cost of such depreciable property, less net value of such property included in line 5. (See line below, for treatment of property fully depreciated).	15,000.
7. 20% of original cost to the taxpayer of personal property in use or held for use and fully depreciated as of January 1, 1989. (See Instruction 5).	10,000.
8. Total Net Value, January 1, 1989. (Total of Lines 5, 6 and 7).	\$ 325,000.

FOR ASSESSOR'S USE ONLY

SCHEDULE B - TAXABLE VALUE COMPUTATION

1. Total net value, January 1, 1989. (from line 8 schedule A).	\$ 325,000.
2. Applicable percent - (See Instructions to Assessor).	92.54%
3. Taxable value - line 1 multiplied by line 2.	\$ 300,755.

SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provided by law, that this return (including any accompanying schedules and statements) has been examined by him and to the best of his knowledge and belief is a true, correct, and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

_____ (Date)	_____ (Signature of Taxpayer or Officer of Taxpayer)	_____ (Title)
_____ (Date)	_____ (Signature of Individual or Firm Preparing Return)	_____ (Address)

PENALTIES - TO AVOID PENALTIES EVERY TAXPAYER MUST FILE THIS RETURN WITH THE ASSESSOR ON OR BEFORE SEPTEMBER 1, 1989. (SEE INSTRUCTION 9).

## INSTRUCTIONS TO TAXPAYER

### 1. TAXPAYERS REQUIRED TO FILE RETURN:

- a. Only local exchange telephone companies, and telegraph and messenger systems, companies, corporations and associations subject to tax under Chapter 4, laws of 1940, as amended and owning tangible goods and chattels, exclusive of inventories, are required to file a return. ("Local exchange telephone company" means a telecommunications carrier providing dialtone and access to substantially all of a local telephone exchange)
- b. Taxpayers required to file this return must file a separate return in each municipality in which tangible personal property used in business, exclusive of inventories, was owned as of the assessment date.

### 2. DUE DATE FOR FILING RETURN FORMS:

The return form must be filed on or before September 1, 1989 with the assessor for the taxing district in which the business personal property is located.

### 3. DEPRECIATION:

- a. Except as may be otherwise provided by regulation, net value for depreciable personal property shall be the depreciated value of such property as reported to the Internal Revenue Service for Federal Income Tax purposes in accordance with the Internal Revenue Code of 1954 and the rules and regulations promulgated thereunder, in effect on January 1, 1989 for the last complete reporting year immediately preceding the listing date, and adjusted to such listing date for additional depreciation, additions and disposals.
- b. If requested by the assessor, taxpayer must furnish Depreciation Schedule filed with the Federal Income Tax return for the calendar year 1988 or for the latest fiscal year ended prior to January 1, 1989.

### 4. ADJUSTMENTS:

Any adjustments entered on line 4 of Schedule A must be fully explained in writing and attached to the return form.

### 5. PROPERTY FULLY DEPRECIATED:

Include in this item not less than 20 percent of original cost of tangible personal property used in business which had been fully depreciated but which, as of the assessment date, remained in use or was held for use.

### 6. GROUP AND COMPOSITE ACCOUNTS:

A taxpayer holding items of like property in more than one taxing district may apply to the Director of the Division of Taxation for permission to report net value on the basis of average valuations of such property in group or composite accounts. He must show that it is impractical to report separately with respect to each item.

### 7. PERSONAL LIABILITY OF OWNERS OF TANGIBLE PERSONAL PROPERTY USED IN BUSINESS FOR TAX:

The person owning tangible personal property used in business is personally liable for the tax due thereon [N.J.S.A. 54:4 - 2.47(b)].

### 8. TAXABLE SITUS:

Tangible personal property used in business and subject to taxation is assessable and taxable in the taxing district where such property is "found" [N.J.S.A. 54:4 - 2.47 (b)]. As a general rule, property is "found" in the taxing district where it has acquired a permanent location. This is a question of fact which must be resolved by consideration of all the circumstances in the particular case.

### 9. PENALTIES:

If any taxpayer shall refuse or neglect to file a return as required by section 54:4-2.48 of the Revised Statutes, the assessor shall value the taxable personal property of such taxpayer at such amount as he may, from any information in his possession or available to him, reasonably determine to be the taxable value at which such property is assessable. Any taxpayer who fails or neglects to file a return within the time required shall be assessed a penalty of \$100.00 for each day of such delinquency, but not in excess of the greater of \$100.00 or 25% of the tax. All penalties shall be added to and become part of the tax and shall be enforceable and collectible in the same manner as the tax or pursuant to the penalty enforcement law (Chapter 58 of Title 2A of the New Jersey Statutes) in a summary manner. Such penalties shall be assessed by the assessor and be payable to and recoverable by the tax collector of the taxing district. The assessor, upon request made on or before the last date for filing any return as fixed by law, may extend the time to file such return to a date not later than the end of a 2-month period next following such last date for filing, for good cause shown. (N.J.S.A. 54:4 - 2.49).

## INSTRUCTIONS TO ASSESSOR

- A. For those taxing districts which shall have completed and put into operation for the tax year 1990 a district-wide adjustment of real property taxable valuations to conform to the percentage level, established for expressing the taxable value of real property in the county, and if a statement to such effect has been included by the assessor in the affidavit prescribed by section 54:4-36 of the Revised Statutes, the average ratio to be entered in line 2, Schedule B shall be the same level as is established for the taxable value of real property in the county (county percentage level).

- B. For those taxing districts not meeting the requirements set forth in paragraph A above for the tax year 1990 there shall be entered in line 2, Schedule B the lower of the 1989 county percentage level or the average ratio of assessed to true value of real property in the taxing district promulgated by the Director of the Division of Taxation as of October 1, 1989 for State school aid purposes pursuant to C.86, P.L. 1954 (N.J.S.A. 54:1-35.1 et seq.). If the Director's 1989 average ratio is the lower, it shall not be rounded off but shall be used exactly as published by the Director.

EXHIBIT VI-3  
Revalued Taxing District

FORM PT-10

TAX  
YEAR 1990

RETURN OF TANGIBLE PERSONAL PROPERTY USED IN BUSINESS  
BY

Assessor's Code No.  
6712-3

LOCAL EXCHANGE TELEPHONE COMPANIES, AND TELEGRAPH AND MESSENGER SYSTEMS, COMPANIES,  
CORPORATIONS OR ASSOCIATIONS SUBJECT TO TAX UNDER CHAPTER 4 LAWS OF 1940, AS AMENDED  
(N.J.S.A. 54:4-1, as amended)

Meadewell Borough  
Taxing District (Municipality)

Monmouth, New Jersey  
County

FORWARD THIS RETURN ON OR BEFORE SEPTEMBER 1, 1989 TO THE MUNICIPAL ASSESSOR

Taxpayer's Name and Address (Type or Print)

Assessor's Address

Loud and Clear Telephone Company  
620 Broad Street  
Elizabeth, New Jersey

Clifford Latshaw  
Municipal Building  
Meadewell, New Jersey

Name and address of person or office to be contacted for information regarding this return.

SCHEDULE A - DEPRECIATED VALUE OF MACHINERY, EQUIPMENT, FURNITURE, FIXTURES AND OTHER DEPRECIABLE  
PERSONAL PROPERTY TAXABLE IN THIS TAXING DISTRICT AS OF JANUARY 1, 1989.

ITEM	VALUE
1. Original cost of taxable Tangible Personal Property Used in Business, owned as of January 1, 1989.	\$ 450,000.
2. Depreciation reserve on taxable Tangible Personal Property Used in Business allowed as of January 1, 1989.	200,000.
3. Net Value. (line 1 minus line 2).	\$ 250,000.
4. Adjustments. (See Instruction 4).	-----
5. Adjusted net value. (line 3 plus or minus line 4).	\$ 250,000.
6. Additional value of depreciable personal property in use, or held for use, and depreciated below 80% of original cost to the taxpayer, but not fully depreciated as of January 1, 1989. Enter 20% of original cost of such depreciable property, less net value of such property included in line 5. (See line below, for treatment of property fully depreciated).	10,000.
7. 20% of original cost to the taxpayer of personal property in use or held for use and fully depreciated as of January 1, 1989. (See Instruction 5).	5,000.
8. Total Net Value, January 1, 1989. (Total of Lines 5, 6 and 7).	\$ 265,000.

FOR ASSESSOR'S USE ONLY

SCHEDULE B - TAXABLE VALUE COMPUTATION

1. Total net value, January 1, 1989. (from line 8 schedule A).	\$ 265,000.
2. Applicable percent - (See Instructions to Assessor).	100%
3. Taxable value - line 1 multiplied by line 2.	\$ 265,000.

SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provided by law, that this return (including any accompanying schedules and statements) has been examined by him and to the best of his knowledge and belief is a true, correct, and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Taxpayer or Officer of Taxpayer)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Individual or Firm Preparing Return)

\_\_\_\_\_  
(Address)

PENALTIES - TO AVOID PENALTIES EVERY TAXPAYER MUST FILE THIS RETURN WITH THE ASSESSOR ON OR BEFORE  
SEPTEMBER 1, 1989. (SEE INSTRUCTION 9).

## INSTRUCTIONS TO TAXPAYER

### 1. TAXPAYERS REQUIRED TO FILE RETURN:

- a. Only local exchange telephone companies, and telegraph and messenger systems, companies, corporations and associations subject to tax under Chapter 4, laws of 1940, as amended and owning tangible goods and chattels, exclusive of inventories, are required to file a return. ("Local exchange telephone company" means a telecommunications carrier providing dialtone and access to substantially all of a local telephone exchange)
- b. Taxpayers required to file this return must file a separate return in each municipality in which tangible personal property used in business, exclusive of inventories, was owned as of the assessment date.

### 2. DUE DATE FOR FILING RETURN FORMS:

The return form must be filed on or before September 1, 1989 with the assessor for the taxing district in which the business personal property is located.

### 3. DEPRECIATION:

- a. Except as may be otherwise provided by regulation, net value for depreciable personal property shall be the depreciated value of such property as reported to the Internal Revenue Service for Federal Income Tax purposes in accordance with the Internal Revenue Code of 1954 and the rules and regulations promulgated thereunder, in effect on January 1, 1989 for the last complete reporting year immediately preceding the listing date, and adjusted to such listing date for additional depreciation, additions and disposals.
- b. If requested by the assessor, taxpayer must furnish Depreciation Schedule filed with the Federal Income Tax return for the calendar year 1988 or for the latest fiscal year ended prior to January 1, 1989.

### 4. ADJUSTMENTS:

Any adjustments entered on line 4 of Schedule A must be fully explained in writing and attached to the return form.

### 5. PROPERTY FULLY DEPRECIATED:

Include in this item not less than 20 percent of original cost of tangible personal property used in business which had been fully depreciated but which, as of the assessment date, remained in use or was held for use.

### 6. GROUP AND COMPOSITE ACCOUNTS:

A taxpayer holding items of like property in more than one taxing district may apply to the Director of the Division of Taxation for permission to report net value on the basis of average valuations of such property in group or composite accounts. He must show that it is impractical to report separately with respect to each item.

### 7. PERSONAL LIABILITY OF OWNERS OF TANGIBLE PERSONAL PROPERTY USED IN BUSINESS FOR TAX:

The person owning tangible personal property used in business is personally liable for the tax due thereon [N.J.S.A. 54:4 - 2.47(b)].

### 8. TAXABLE SITUS:

Tangible personal property used in business and subject to taxation is assessable and taxable in the taxing district where such property is "found" [N.J.S.A. 54:4 - 2.47 (b)]. As a general rule, property is "found" in the taxing district where it has acquired a permanent location. This is a question of fact which must be resolved by consideration of all the circumstances in the particular case.

### 9. PENALTIES:

If any taxpayer shall refuse or neglect to file a return as required by section 54:4-2.48 of the Revised Statutes, the assessor shall value the taxable personal property of such taxpayer at such amount as he may, from any information in his possession or available to him, reasonably determine to be the taxable value at which such property is assessable. Any taxpayer who fails or neglects to file a return within the time required shall be assessed a penalty of \$100.00 for each day of such delinquency, but not in excess of the greater of \$100.00 or 25% of the tax. All penalties shall be added to and become part of the tax and shall be enforceable and collectible in the same manner as the tax or pursuant to the penalty enforcement law (Chapter 58 of Title 2A of the New Jersey Statutes) in a summary manner. Such penalties shall be assessed by the assessor and be payable to and recoverable by the tax collector of the taxing district. The assessor, upon request made on or before the last date for filing any return as fixed by law, may extend the time to file such return to a date not later than the end of a 2-month period next following such last date for filing, for good cause shown. (N.J.S.A. 54:4 - 2.49).

## INSTRUCTIONS TO ASSESSOR

A. For those taxing districts which shall have completed and put into operation for the tax year 1990 a district-wide adjustment of real property taxable valuations to conform to the percentage level, established for expressing the taxable value of real property in the county, and if a statement to such effect has been included by the assessor in the affidavit prescribed by section 54:4-36 of the Revised Statutes, the average ratio to be entered in line 2, Schedule B shall be the same level as is established for the taxable value of real property in the county (county percentage level).

B. For those taxing districts not meeting the requirements set forth in paragraph A above for the tax year 1990 there shall be entered in line 2, Schedule B the lower of the 1989 county percentage level or the average ratio of assessed to true value of real property in the taxing district promulgated by the Director of the Division of Taxation as of October 1, 1989 for State school aid purposes pursuant to C.86, P.L. 1954 (N.J.S.A. 54:1-35.1 et seq.). If the Director's 1989 average ratio is the lower, it shall not be rounded off but shall be used exactly as published by the Director.