

Proration of “Other” (Subclass 6) Personal Property:

K.S.A. 79-345 (*see below*) outlines the procedures for prorating “Other” personal property. This includes *all* properties that are part of **Subclass 6** of personal property.

For the 2023 tax year and thereafter, **Subclass 6** personal property can qualify for a prorated value if:

1. acquired or sold after January 1st **AND**,
2. the county appraiser is notified of the acquisition or sale on or before December 20th.

Other personal property acquired after September 1st are not taxable for the year they are acquired.

Other personal property that are acquired after January 1st, are not subject to filing penalties for the tax year in which they are acquired.

Other personal property may be prorated off anytime through the tax year when timely notification of a sale is given by the owner.

Following notification, the county appraiser shall calculate the new tax roll value and send a new notification of value, or a revised notification of value based on the number of months the property is located in the county.

In cases where the county appraiser discovers a **Subclass 6** item, an attempt should be made to determine if the owner held possession on January 1st. If the owner held possession on January 1st, the item in question should have been listed with the county appraiser on or before March 15th therefore penalties would apply, and in this case K.S.A. 79-345 is not applicable.

Questions about the notification period:

1. What happens when the owner reports the disposition after December 20th?

The county appraiser should not prorate the value of a Subclass 6 item when the owner fails to notify the county of its sale within the statutory timeframe (on or before December 20th in the year of the sale). The item will remain on the tax roll at its full market value for that tax year .

[K.S.A. 79-1701 & 79-1702; K.S.A. 79-345]

2. What happens when the owner does not report the acquisition of a taxable Subclass 6 item that occurred after January 1st?

The county appraiser has the responsibility to list all taxable personal property. If a **Subclass 6** item is discovered as having tax situs after January 1st, the county appraiser adds the item on the tax roll at its full market value and sends notification of value to the owner. [K.S.A. 79-101, 79-1426, 79-1455, 79-1461]

Prorating the Value of “Other” Personal Property

K.S.A. 79-345 specifies that the value of **Subclass 6** property should be prorated under certain circumstances based upon a fraction. The numerator of the fraction is the number of months, or *major portion* thereof, such watercraft was owned. The denominator is the 12 months of the tax year. We interpret the *major portion* of a month to mean over one-half of the month.

Examples of numerous “what if” scenarios have been outlined in the Kansas Department of Revenue, Property Valuation Division’s ‘**2023 Personal Property Valuation Guide**’ (See pages 71-76 concerning *Subclass 6 proration*) provided to Kansas county appraisers.

K.S.A. 79-345: Proration of Subclass 6 Personal Property

(a) The value for property tax purposes of any tangible personal property classified for property tax purposes within subclass (6) of class 2 of section 1 of article 11 of the constitution of the state of Kansas that is acquired or sold after January 1 and prior to September 1 of any taxable year shall be equal to the value determined therefor pursuant to K.S.A. 79-1456, and amendments thereto, multiplied by: (1) In the case of a sale, a fraction, the numerator of which is the number of months, or major portion thereof, such property was owned by the record owner thereof during the taxable year in which such property was sold and the denominator of which is 12; and (2) in the case of an acquisition, a fraction, the numerator of which is the number of months, or major portion thereof, remaining in the taxable year after the date of acquisition by the record owner thereof and the denominator of which is 12.

(b) Notice of the acquisition or sale of any such property shall be provided by the record owner thereof to the appropriate county appraiser on or before December 20 of the year of such acquisition or sale. Upon receipt of such notice, and after computation of the value of any such property in accordance with the provision of subsection (a), a notification or revised notification of value shall be mailed to the taxpayer.

(c) Except as provided in subsection (a), tangible personal property classified for property tax purposes within subclass (6) of class 2 of section 1 of article 11 of the constitution of the state of Kansas acquired on or after September 1 of a taxable year shall not be subject to assessment and taxation for such year

(d) The provisions of this section shall apply to all taxable years commencing after December 31, 2022.