

Instructions – Form ADV-40

Title 40, Chapter 7, Code of Alabama 1975, requires that, each year every person report to the county taxing official, a complete list of all tangible personal property owned by the taxpayer on October 1 of the tax year. Additionally, this form is used to list aircraft owned for business or personal use.

General Business/Owner Information Instructions:

1. Provide the owner of the property being reported.
2. Provide the mailing address of the property owner. This address will be used for correspondence including valuation notices and tax bills.
3. If applicable, complete the spaces provided for "doing business as" (for business operating name if different from the owner's name) and provide the address where the tangible personal property is located.
4. For business property reporting, provide the name of the landowner.
5. For business property reporting, provide the business type such as restaurant, department store, etc., and the date the business was established.

Part A

Part A is used to list all assets owned by the taxpayer. A complete **itemized listing must be provided** of all personal property owned on October 1. Or, a copy of the depreciation schedule used in preparing the most recent income tax return, listing the property owned by the taxpayer at the close of the fiscal year may be submitted. **The depreciation schedule must be adjusted for additions and deletions so that it will contain property owned by a business on the October 1 lien date.**

Regardless of the reporting method chosen, the description or type of personal property, the year of acquisition, the cost when acquired, and any property which has been fully depreciated but was still owned on October 1 must be provided.

The reported cost should include invoice price, freight, and installation cost, sales and/or use tax, extra foundations necessary to support the equipment, and other costs incurred for the use of the property.

If property is owned in more than one taxing jurisdiction within the county it must be identified by address where the property is located.

The itemized list should include all fixed assets, including but not limited to, furniture, fixtures, computers, machinery, and equipment. Multiple items of the same type of property acquired in the same year may be listed together.

Supplies and materials used in the operations of the business that are **NOT** for sale are taxable **and must be reported.** (i.e., office supplies, spare parts, and other consumable items.) Supplies are to be reported as a dollar value of supplies on hand on October 1 or an average value representing what the company spends in one month on supplies.

Example:

ITEM	DATE ACQUIRED MM/DD/YY	COST
SUPPLIES		\$ 150
10 Dell Computers	5/3/2010	\$ 10,000
4 Dell Computers	2/12/2012	\$ 5,200

Leasing Companies having equipment located in this county must attach a complete listing of personal property as stated above. Include with this listing the lessee name, address and the physical location of each item of personal property.

Part B

Part B of the Personal Property Return must be completed if the taxpayer is unable to separate the cost of add-on or specialized equipment affixed to the cab and chassis of a motor vehicle. If the cost of Add-on equipment is known it may be reported separately with its acquisition date and cost in Part A.

Add-on or specialized equipment is any machinery and equipment added to the cab and chassis of a motor vehicle. This equipment includes but is not limited to box type bodies, concrete mixer drums, dumping mechanisms, wrecker rigs, propane and petroleum tanks, refrigeration equipment, limousine and hearse bodies, etc. Purchase price must include all costs associated with the purchase of the motor vehicle, including any trade-in value.

Example:

MODEL YEAR	MAKE	MODEL	TAG NUMBER	COMPLETE VEHICLE ID NUMBER (VIN)	VEHICLE DESCRIPTION	DATE ACQUIRED MM/DD/YY	PURCHASE PRICE
2017	MACK	MRU612	4X3724	1J2P67C9R0215721	DUMP TRUCK	08/24/19	\$155,000

Part B-1

Part B-1 of the Alabama Personal Property Return (ADV-40) must be completed annually by the taxpayer to list all truck trailers, semi-trailers, and tractor trailers with an Alabama permanent trailer license plate. See Department of Revenue Administrative Rule [810-4-1-.03](#) for procedures regarding permanent trailer tags. Alabama permanent trailer tag numbers begin with the letter "A."

Example:

MODEL YEAR	MAKE	MODEL	TAG NUMBER	SERIAL NUMBER/VIN	TRAILER/VEHICLE DESCRIPTION	DATE ACQUIRED MM/DD/YYYY	LENGTH OF TRAILER
2005	GREAT DANE	VAN	A095200	8KL249	DROP FRAME	11/09/2010	43 FT.

Part B-1 is also used to report vehicles based in Alabama but registered and tagged in another state. Such vehicles are subject to property tax in Alabama.

Example:

MODEL YEAR	MAKE	MODEL	TAG NUMBER	SERIAL NUMBER/VIN	TRAILER/VEHICLE DESCRIPTION	DATE ACQUIRED MM/DD/YYYY	LENGTH OF TRAILER
2010	FORD	F-250	M3S93N	1FALD63V4WH127702	PICKUP	01/06/2015	N/A

Part C

Part C is used to list aircraft based in Alabama, including hot air balloons (whether for personal or business use) and drones (only drones used in a business activity.)

Non-standard avionic equipment is reported on Part A of the ADV-40 form. Avionic equipment includes, but is not limited to, directional finders, radar, transponders, etc. When avionic equipment is not included in the base aircraft cost it is considered non-standard.

Aircraft will be valued based on the procedures set out in Department of Revenue Administrative Rule 810-4-1-.09.

Part D

Part D is used to list items of personal property that have been purchased but not yet placed in service, often referred to as construction in progress (CIP). Generally accepted accounting practices provide for the capitalization of assets to begin on the date the property is placed in service. Assets which are physically located at the business site in advance of their being placed in service are reported in Part D.

Part E

Part E is used to list assets located at the business and leased from another party. Items of personal property held under an operating lease are to be listed by the lessee in Part E. Items of personal property held under a capital lease or conditional sales contract shall be reported on Part A by the lessee. Leased equipment is assessed according to Department of Revenue Administrative Rule 810-4.1.22 .

Part F

Part F is used by the taxpayer to list personal property located at a business that belongs to someone other than the business owner (for example, vending machines).

Online Filing

Alabama taxpayers who typically file a paper return form with the county, listing their business personal property, aircraft, or permanent trailer tags, have the OPTION of using the Optional Personal Property Assessment Link (OPPAL) at www.oppal.alabama.gov. Returns are electronically delivered to county tax offices. This method is free to the taxpayer and is an easy alternative to filing on paper.

The OPPAL website is available from October 1st each year to the following January 31st. If a taxpayer has previously used OPPAL to file property tax return(s), they will log in using their existing username and password. If a taxpayer has not used OPPAL before, they must first register as a user of the system, creating a username and password. Once logged in, select "Begin a Return" and use the Account # and Online Access Code to retrieve the previous year's data. The online access code is only good for the current tax year.

Enter the Account # and Online Access Code EXACTLY as they appear on the return, including any dashes or spaces. New businesses may file in OPPAL by selecting "New Business" from the "Begin a Return" screen. A blank report will be available for completion and, upon submission, will be sent to the county selected by the taxpayer.

Returns are due between October 1 and December 31 of each year. OPPAL will remain open until January 31 for taxpayer convenience but returns filed after December 31 will be late. After January 31, the electronic portal will close, and returns must be filed on paper with the county assessing official's office.

Several counties in Alabama DO NOT use the OPPAL website for electronic filing: **Autauga, Elmore, Jefferson, Limestone, Mobile, Monroe, Montgomery, Morgan, and Shelby**. To file a return in these counties, select the name of the county on the home page of OPPAL (www.oppal.alabama.gov) and the system will redirect to the county website for online filing.

For more information regarding the reporting and assessing of tangible personal property in Alabama, see the Alabama Department of Revenue website:

<https://revenue.alabama.gov/property-tax/taxes-administered/personal-property/>