

Name: _____

County: _____

**PERSONAL PROPERTY AND FIXTURES
SELF-STUDY TRAINING SESSION**

REVIEW QUESTIONS

1. Which of the following is not true of taxable property?
 - All property is taxable and shall be assessed at the same percentage of fair market value.
 - All property is taxable unless it is exempt by the Constitution or statutes.
 - Both real property and personal property are taxable property.
 - Only real property and fixtures are taxable property.

2. Which of the follow is included in the definition of real property [mark all that apply]?
 - Real estate.
 - Improvements.
 - Possession of, claim to, ownership of, or right to the possession of land.
 - All standing timber whether or not it belongs to the owner of the land.
 - All mines, minerals, and quarries in the lands.
 - All of the above.

3. Personal property is all property except real estate.
 - True
 - False

4. Which of the following property is exempt by the Legislature from property tax [mark all that apply]?
 - Personal household furnishings
 - Business inventories
 - Pets
 - Improvements
 - All of the above

5. Personal property is assessable only if taxable on the lien date (January 1).
- True
- False
6. The _____ is the persons owning, claiming, possessing, or controlling property on the lien date.
7. When property is leased, the lessee is always the assessee for taxation purposes.
- True
- False
8. Assessments on the secured roll and the unsecured roll have different due dates, delinquency dates, and tax collection procedures.
- True
- False
9. Of the seven factors in an assessment, _____ is consistently the most difficult.
10. All property listed on the roll must be classified as [mark all that apply]:
- Land
- Personal property
- Improvements
- Possessory interests
- Other classes of property defined by the State Board of Equalization
- All of the above
11. For valuation purposes, all improvements should be subclassified as _____ items or _____.
12. Both structure items and fixtures are improvements; they are not taxed separately. However, they are treated differently and separately for valuation purposes.
- True
- False

13. An improvement is an item of tangible property, the nature of which was originally personalty, but which is classified as realty for property tax purposes because it is physically or constructively annexed to realty with the intent that it remain annexed indefinitely.
- True
- False
14. The term "affixed to land" is the key to which of the following tests?
- Physical annexation
- Constructive annexation
- Intent
15. Which of the following is an example of a property classified as a fixture due to constructive annexation [mark all that apply]?
- Head sets and stools specially designed for use with affixed central telephone office equipment.
- Movable structures anchored to realty by the force of gravity.
- Pumps of a size they are not easily moved and from outward appearances, to third parties, appear to be permanent.
- Cement on the front entrance of a building.
16. If an item appears physically attached to real property, an appraiser can assume that the intent of the annexation is that the item will remain attached unless there is other evidence that indicates the attachment is only temporary.
- True
- False
17. What tests should an appraiser consider when classifying property (mark all that apply)?
- Intent
- Physical annexation
- Performance of property
- Constructive annexation
- All of the above
18. ATM machines are always classified as fixtures.
- True
- False

19. Most partitions currently used in office buildings are not permanently attached or built into the structure. Partitions built into the structure or designed to function only in a specific structure are fixtures.
- True
- False
20. _____ are items that are used in the normal operation of a business and are not intended for sale or lease on the lien date.
21. _____ includes all items of personalty that become part of or are themselves a product that is held for sale or lease in the ordinary course of business.
22. Which of the following property is considered business inventory and is not assessable [mark all that apply]?
- Goods transferred incidental to the rendition of a professional service
- Animals, crops, and feed sold in the ordinary course of business
- Animals used in the production of food or fiber
- Goods transferred in the rendition of a nonprofessional service
- Welding rods, nuts, bolts, and screws incorporated in a product that is to be sold
- Oxygen and acetylene for welding
- All of the above
23. Vehicles, vessels, aircraft, and manufactured homes not on permanent foundations are classified as personal property.
- True
- False
24. Tractors, backhoes, forklifts, crawler loaders, golf carts, riding lawnmowers, unlicensed racecars, and other type of equipment that is self propelled or is designed to be moved by something other than "exclusively human power" may qualify as _____.
25. On the lien date, property with a tax situs in California is assessable in California; property with a tax situs outside of California, almost without exception, is not assessable in California.
- True
- False

26. Property which is normally located in a taxing jurisdiction, moved on the lien date, and then immediately moved back will avoid taxation at that situs.
- True
- False
27. Which of the following is true regarding movable property [mark all that apply]?
- It has situs where located on the lien date if it has been there for more than 6 to 12 months immediately preceding the lien date and facts indicate it will return for a substantial period during the 12 months immediately succeeding the lien date.
- It has been in the county less than 6 of the 12 months immediately preceding the lien date, but is committed to use in the county for an indeterminate period or more than 6 months, has situs there regardless of whether the use extends through or commences with the lien date.
- If it is in transit on the lien date, it may affect the property's assessable situs.
- If it does not have a permanent situs on the lien date, it has assessable situs at the location where it is normally returned between leases.
- All of the above.
28. Which of the following is true of California [mark all that apply]?
- Apportionment applies only where property has a tax situs in more than one state
- Transitory contact with other states does not establish tax situs even though the visits may be annual.
- An assessee contending that some portion of property is not taxable by the state of domicile has the burden of proving by sufficient evidence that situs has been established elsewhere.
- When property has situs in California but has its permanent or primary situs in another state or country, it is not taxable in California because it has permanent situs in another state.
- All of the above.
29. The intent of the lessor and the lessee as demonstrated by objective facts is the determining factor in ascertaining the situs of leased or rented property.
- True
- False
30. Property in transit on the lien date, to or from interstate or foreign destinations, is exempt from taxation.
- True
- False

31. The interruption of transportation for purposes incidental to transportation does not remove property from its "in-transit status."
- True
- False
32. Vessels may be assessed the ad valorem tax or qualify for full or partial exemptions depending upon (mark all that apply)?
- Type
- Ownership
- Value
- Use
- All of the above
33. The tax situs of intercounty ferryboats is regulated by statute. When a ferry connects ports in more than one county, it is assessed in equal proportions in each of the counties.
- True
- False
34. Which of the following is true [mark all that apply]?
- Situs of linens must be determined based on the type and length of the lease involved. If linens are rented on a short-term basis (6 months or less) they are assessed at the location where they are returned for cleaning; and if the linens are rented on a long-term basis (6 months or more), they attain a situs at the lessee's location.
- Vending machines are more or less permanently situated at various locations, and have situs where they are located on the lien date.
- Returnable containers for soft drink beverages shall be assessed only to the person in possession on the lien date. Situs of this type of returnable container is the location to which they are returned for reprocessing or refilling.
- Propane tanks used for fuel storage are refilled at the respective locations and remain there for considerable periods. Situs for assessment purposes is the place where they are located on the lien date.
35. Under which of the following conditions is the use of the cost approach preferred [mark all that apply]?
- No reliable sales data are available
- No reliable income data are available for the property being valued
- The income of the property being valued is not so regulated as to make current replacement costs irrelevant to value.
- All of the above.

36. The three variations of the cost approach are reproduction cost, replacement cost, and historical cost.

True

False

37. Match the following:

1 Reproduction cost

2 Replacement cost

3 Historical cost

	Total cost of the property when it was originally constructed or purchased.
	The cost to replace an existing property with a property of equivalent utility as of a particular date.
	The cost to replace an existing property with an identical property.

38. Which of the following is a direct cost for self-constructed equipment [mark all that apply]?

Labor used in construction

Legal fees

Material storage facilities (on site)

Sub-contractor's fees

All of the above.

39. In case of trade-in allowance, an appraiser must add back any trade-in allowances subtracted from the purchase price or book cost as part of the price paid for the property.

True

False

40. Research and development costs are appropriately deducted as elements of full economic cost only when they relate to machinery and other assessable property.

True

False

41. Which of the following adjustments are included in full economic cost [mark all that apply]?
- Energy tax credit
 - Liquidated damages
 - Income tax credit
 - All of the above
42. Sales tax on materials of self-manufactured assets should be included in the final calculation of the book cost as a trade level factor.
- True
 - False
43. _____ is the loss in value which may be the result of wear and tear either from use or exposure to various elements.
44. The market method is a method of estimating a property's total depreciation directly without utilizing indirect engineering economics calculations.
- True
 - False
45. Replacement cost is the cost to replace an existing property with an identical property, a replica.
- True
 - False
46. Where equipment has undergone minimal changes in technology, _____ cost and _____ cost are likely to be similar.
47. Utilization adjustments may be made when there is lessened capacity that is beyond the control of a prudent operator that is recognized by the market.
- True
 - False

48. The comparative sales approach is limited in its application to personal property and business fixture because [mark all that apply]:
- In many cases, personal property and business fixtures are not sold without affecting other property.
 - Sales data, when available, are generally limited by comparability.
 - Most types of personal property and business fixtures are resold infrequently (limited sales data are available).
 - All of the above
49. Which of the follow is a component that makes up the value of personal property [mark all that apply]?
- Cost of manufacturing the item
 - Cost of transportation and installation of the item
 - Sales tax or use tax component
 - Cost of postage, shipping box, and wrapping if the item is mailed
 - All of the above
50. Building improvements made by a real property owner are referred to as _____.
51. Trade fixtures are specific types of fixtures and therefore do not fall under the three-part test of Property Tax Rule 122.5.
- True
 - False
52. Property tax law requires that improvement value be shown separately from land value and personal property value and fixture value on the assessment roll.
- True
 - False
53. The base year value can be adjusted for the effects of inflation up to a maximum of what percent per year based on the California Consumer Price Index?
- 1
 - 1.5
 - 1.99
 - 2

54. Which of the following would be considered new construction [mark all that apply]?

- Normal maintenance and repair
- Replacement of underground storage tanks after September 7, 1999
- Rehabilitation of a fixture that converts the fixture to the substantial equivalent of new
- All of the above

55. Improvements installed by a tenant, but left at a vacant rental space, are called
