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Want to Sell a Lot of Art or Other Property Without Sales Tax? Here's How

At most real estate closings, there is some "personal" property that is transferred along with the "real" property. Usually, it is limited to free-standing appliances, but it can also include such items as a piano, a pool table or a hot tub. Because such property is not attached to the real estate, it is transferred at closing via a separate "bill of sale."

At every closing, the buyer is required to sign a "Real Property Transfer Declaration" itemizing any personal property which is included in the sales price and assigning it a value. This allows the assessor to determine the value of the real estate for property tax purposes by subtracting the value of the personal property from the purchase price.

No sales tax is collected on the

personal property at the closing, and I have found no one who believes that any sales tax liability is created. I also haven't found anyone who can tell me that this wouldn't be an excellent way to sell a whole lot of art, furniture, or what-not without paying sales tax — simply include it in a real estate transaction.

Indeed, at a recent Realtor marketing session, the Jeffco assessor, Jim Everson, told us about one instance where the artwork which was included in a real estate transaction represented a significant percentage of the purchase price.

(This strategy could not be used for transferring motor vehicles, however, since sales tax for them is collected from the new owner at time of registration.)

Among the other things we learned from Everson's presenta-

tion was that his office routinely gets property information from MLS listings. If this information differs in any significant way from the information his office has about your property (such as having a finished instead of unfinished basement), it can trigger a site visit from someone in his office.

Everson also announced a change in his office's process for valuing business personal property, which, like real property, is subject to an annual property tax. Next year, instead of sending business owners his office's list of their property inventory from the previous year and asking for updates, the assessor's office will send a blank form and ask business owners to list all their business personal property.

If you are a Realtor who does not attend the weekly marketing sessions in Golden (on Wednesdays) and in Lakewood (on Thursdays), let this be a reminder that doing so can be very informative.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

This Week's Featured New Listing:

Price Lowered on Forest Springs Patio Home

Forest Springs is a quiet Arvada subdivision located north of 64th Ave. between McIntyre and Kendrick Streets. Many of the patio homes here, including this one, back to a beautifully landscaped greenbelt with multiple ponds and



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fountains. The well-maintained grounds have attracted some diverse wildlife, including a heron. At left is a picture I took of this frequent visitor. I'm surprised this home didn't sell when it was priced at \$390,000, and now the price has been dropped to only \$360,000 — a great deal, in my opinion. If you like the idea of maintenance-free living, you owe it to yourself to check out this home. It will be open this coming Saturday, 1-4pm, or call for a showing.



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