

PUBLIC UTILITY PROPERTY TAX

*Note: The material below describes the taxes levied on both the real and personal property of public utilities. The data in the tables in this section pertain to only the personal property of utilities. Data for public utility real property are included in the tables in the **Real Property Tax** section.*

The assessed valuation of public utility personal property was about \$14.3 billion in calendar year 1997, which was an decrease of 0.8 percent over the previous year. Electric utilities accounted for about 56.7 percent of the total public utility personal property valuation in 1997, and the telephone industry accounted for 22.1 percent of the total valuation.

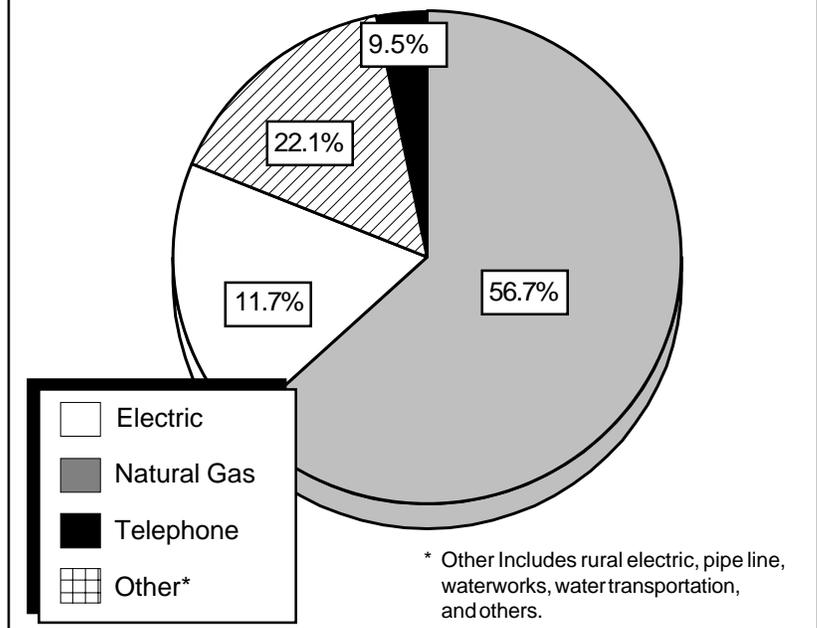
TAX BASE (R.C. 5715.01, 5727.01, 5727.06, 5727.10, 5727.11, 5727.111, 5727.12, 5727.14, 5727.15):

The property tax base of all public utilities except railroads and water transportation companies consists of real and tangible personal property owned and located in Ohio on December 31 of the preceding year. The railroad property tax base consists of real and tangible personal property owned or operated in Ohio on December 31 of the preceding year. The water transportation company tax base consists of all tangible personal property, except watercraft, owned or operated in Ohio on December 31 of the preceding year and all watercraft owned or operated by the water transportation company in Ohio during the preceding calendar year.

Real property includes land and improvements, and personal property includes all plant and equipment either owned or leased by the utility and not classified as real property or intangible property.

For most public utility personal property, true value is the capitalized cost less the composite annual allowances that vary according to the actual age and expected life of the property. It should be noted that all interexchange and local telephone companies are

Public Utility Personal Property Valuation By Type of Utility
Calendar Year 1997 -- \$14.3 Billion



valued by this method. The true value of electric company production equipment and all taxable property of a rural electric company is 50 percent of capitalized cost. The true value of current gas stored underground is the cost of such gas, while the true value of non-current gas stored underground is 35 percent of cost.

To determine the true value of railroad real and personal property, the unitary method is used to value the company's entire railroad system, and the valuation is apportioned to this state in the proportion that the length of track in this state bears to the whole length of track. Values for railroad real property used in operation are apportioned on the basis of their relative value while values for railroad personal property used in operation are apportioned on the basis of miles of track in each taxing district weighted according to traffic density. Values for railroad real and personal property not used in operation are apportioned on the basis of their physical location.

Public utility real property is assessed at 35 percent of true (market) value while public utility personal property is assessed at varying ratios. Production

Type of Utility	Assessment Percentage
• Electric companies--production equipment only	100%
• Rural electric companies	50%
• Natural gas, pipe-line, waterworks or heating company	88%
• Railroads	25%
• Interexchange telephone companies	25%
• Local exchange telephone companies (only property added for tax year 1995 and thereafter)	25%
• All other existing telephone property (prior to 1995)	88%
• Water transportation company	25%

equipment of electric companies is assessed at 100 percent of true value (50 percent of cost), rural electric companies are assessed at 50 percent of true value, and railroads are assessed at 25 percent. All interexchange telephone personal property and local exchange telephone personal property added to the tax rolls during tax year 1995 and thereafter, are assessed at 25 percent of true value. However, local exchange telephone personal property listed prior to tax year 1995 is assessed at 88 percent. All other public utility personal property is assessed at this ratio as well. Each of the public utility personal property assessment ratios are shown above.

Real property values of all utilities except railroads are placed into the various taxing districts according to the physical location of the property.

Personal property values of all utilities except railroads are apportioned (using a specific base) among the taxing districts in which the utilities operate. The bases for distributing personal property values among taxing districts for the various classes of utilities are shown in the table (next column). Actual location of property is used to distribute values for water transportation and toll bridge utility classes.

Class of Utility	Distribution Base
• Electric and rural electric companies	Cost of transmission and distribution property
• Artificial gas, natural gas, heating, cooling, and waterworks	Value of pipeline
• Telephone and interchange telephone companies	Miles of wire
• Railroads	Miles of track and trackage rights weighted by use

RATES (R.C. 319.30, 319.301, 5705.02-5705.05, 5705.19):

Vary with taxing jurisdiction. Total tax rate includes all levies enacted by legislative authority or approved by voters for all taxing jurisdictions within which the property is located or to which it is apportioned (e.g., county, township, municipal corporation, and school district). Although the nominal tax rates applied to public utility real and personal property are the same, the effective rates on the two types of property may differ substantially because of the effects of the tax reduction factor applied to real property taxes. Public utility real property taxes (in addition to other real property taxes) are reduced by a computed reduction factor whenever real property values increase due to reappraisal. This reduction factor does not apply to taxes levied on public utility personal property. State law also requires that all real property tax bills (but not personal property tax bills) be reduced by ten percent — with the cost of the reduction reimbursed from state funds.

EXEMPTIONS AND CREDITS (R.C. 319.302, 5701.03, 5709.111, 5709.25, 5727.01, 5727.05, 6111.31):

1. Utilities owned by municipalities.
2. Certified air, water, and noise pollution control facilities.
3. Motorized, licensed motor vehicles.
4. Tangible personal property under construction.
5. Real property tax bills are reduced by 10 percent as provided by state law.
6. Real and personal property of nonprofit corporations and political subdivisions used exclusively in the treatment, distribution and sale of water to consumers.

REPORTING, CERTIFICATION, AND PAYMENT DATES:

Dates	O.R.C.	Description
March 1 (a)	5727.08 5727.48	Company's annual report to Tax Commissioner
Prior to the first Monday in October	5727.10 5727.23	Tax Commissioner notifies utilities and county auditors of values.
December 31 (b)	323.12 323.17	At least half of total tax liability due.
June 20 (b)	323.12 323.17	Balance of tax liability due.

(a) Tax Commissioner may grant extension of up to 60 days.
 (b) These deadlines may be extended by 45 days (longer in certain circumstances.)

DISPOSITION OF REVENUE (R.C. 319.54, 321.24, 321.26, 321.261, 321.31, 321.34):

After local administrative deductions, revenue is distributed to counties, municipalities, townships, school districts, and special districts according to the taxable values and total millage levied by each.

ADMINISTRATION (R.C. 5713.01, 5727.06):

The Tax Commissioner assesses the tangible personal property of all public utilities. The Tax Commissioner also assesses the real estate of railroads, however, county auditors assess all other public utility real estate.

OHIO REVISED CODE CITATIONS:

Chapters 319, 321, 323, 5701, 5705, 5709, 5715, 5719, 5727, 6111

Table 61 Public Utility Personal Property: Certified Assessed Value by Class of Utility and Total Taxes Levied, Calendar Years 1993-1997						
Class of Utility	Number of Taxpayers (1997)	Assessed Values				
		1993	1994	1995	1996	1997
Electric	13	\$7,947,618,200	\$8,018,798,960	\$8,109,170,030	\$8,083,160,490	\$8,158,462,140
Telephone	507	4,417,948,630	4,652,223,460	3,583,915,130	3,391,740,380	3,176,308,180
Natural Gas	31	1,383,200,570	1,494,194,020	1,591,867,720	1,604,488,940	1,692,036,890
Railroad	42	289,726,520	295,043,370	307,403,850	344,478,190	396,314,610
Pipeline	20	757,051,560	689,324,410	715,356,780	740,849,180	633,074,530
Rural Electric	29	202,789,410	213,248,700	225,995,940	236,461,870	247,461,560
Waterworks	28	65,095,800	71,053,640	73,222,370	76,373,460	81,111,280
Other*	<u>11</u>	<u>8,087,630</u>	<u>7,852,690</u>	<u>11,484,870</u>	<u>12,365,760</u>	<u>12,831,610</u>
Totals	681	\$15,071,518,320	\$15,441,739,250	\$14,618,416,690	\$14,489,918,270	\$14,397,600,800
Taxes Levied		\$980,165,658	\$1,026,775,088	\$983,387,775	\$991,221,097	\$985,948,671

* Includes Water Transportation, and Heating

Source: Ohio Department of Taxation

Table 62
Assessed Value of Public Utility Personal Property and Taxes Levied,
by County, Calendar Year 1997

County	Assessed Value of Public Utility Personal Property	Taxes Charged on Public Utility Tangible Personal Property	County	Assessed Value of Public Utility Personal Property	Taxes Charged on Public Utility Tangible Personal Property
Adams	\$321,069,380	\$13,891,782	Logan	\$54,005,120	\$3,163,859
Allen	124,800,720	6,371,470	Lorain	364,147,420	26,541,658
Ashland	78,643,070	4,824,710	Lucas	498,693,330	40,799,510
Ashtabula	153,213,070	10,404,199	Madison	42,872,740	2,349,078
Athens	74,230,100	5,360,467	Mahoning	246,080,070	17,762,033
Auglaize	36,296,850	2,013,607	Marion	72,774,100	4,719,494
Belmont	120,113,400	6,492,950	Medina	151,005,340	12,462,590
Brown	50,476,440	2,472,704	Meigs	49,349,730	2,231,121
Butler	371,111,130	21,824,681	Mercer	30,801,820	1,504,167
Carroll	49,785,340	2,523,005	Miami	95,446,030	6,006,998
Champaign	34,641,260	2,060,396	Monroe	48,097,300	2,263,333
Clark	122,453,860	7,706,889	Montgomery	516,805,270	42,651,920
Clermont	606,468,640	36,356,366	Morgan	90,634,950	4,315,188
Clinton	43,994,110	2,270,340	Morrow	36,113,750	2,107,575
Columbiana	112,444,960	6,390,797	Muskingum	99,825,780	6,184,813
Coshocton	189,148,370	8,573,264	Noble	38,526,330	1,955,925
Crawford	39,798,430	2,768,917	Ottawa	335,557,180	16,459,182
Cuyahoga	1,329,628,520	123,321,552	Paulding	26,495,400	1,351,748
Darke	61,185,250	2,892,777	Perry	49,238,970	2,852,860
Defiance	72,912,670	4,146,218	Pickaway	87,321,340	4,499,161
Delaware	121,104,390	7,678,841	Pike	45,817,590	2,321,394
Erie	104,847,680	7,730,963	Portage	140,347,370	11,927,167
Fairfield	110,916,950	7,641,222	Preble	48,075,050	2,508,979
Fayette	47,978,110	2,243,308	Putnam	32,056,940	1,495,845
Franklin	931,863,290	77,984,708	Richland	134,179,040	9,959,119
Fulton	61,189,690	4,005,283	Ross	66,832,530	3,499,491
Gallia	271,858,030	9,249,564	Sandusky	68,964,490	3,648,225
Geauga	100,481,060	8,817,535	Scioto	94,187,670	4,916,077
Greene	143,852,620	10,198,186	Seneca	64,243,200	3,626,961
Guernsey	54,992,790	3,220,464	Shelby	56,785,820	2,907,658
Hamilton	1,035,312,950	82,803,205	Stark	360,871,520	25,551,098
Hancock	74,818,430	3,987,942	Summit	449,579,240	34,882,180
Hardin	30,562,570	1,599,466	Trumbull	225,266,120	14,729,813
Harrison	34,609,020	1,953,025	Tuscarawas	94,594,570	5,787,058
Henry	35,268,430	2,290,496	Union	66,501,660	3,935,327
Highland	33,514,590	1,474,620	Van Wert	26,154,910	1,643,262
Hocking	58,451,740	3,401,837	Vinton	25,693,300	1,162,986
Holmes	33,182,970	1,957,826	Warren	182,210,690	12,602,362
Huron	54,794,720	3,049,897	Washington	134,907,360	6,715,050
Jackson	43,201,190	1,821,893	Wayne	94,465,850	6,414,265
Jefferson	422,628,880	21,518,592	Williams	43,207,050	2,724,469
Knox	49,277,250	3,047,242	Wood	144,176,160	9,840,565
Lake	768,618,530	57,630,126	Wyandot	<u>19,927,500</u>	<u>991,107</u>
Lawrence	76,246,290	2,897,616			
Licking	152,541,530	9,105,052	Total	\$14,766,552,381	\$985,948,671

Source: Assessed valuation and taxes levied figures are from abstracts filed by county auditors with the Ohio Department of Taxation.