

OKLAHOMA TAX COMMISSION

AD VALOREM DIVISION

PUBLIC SERVICE SECTION

*** * INSTRUCTIONS * ***

FOR FILING

2016

**AIR CARRIER, RAILROAD
AND PUBLIC SERVICE COMPANY**

AD VALOREM TAX RETURN

GENERAL INSTRUCTIONS

For full consideration during the valuation process, all items, including supplemental data, must be complete and returned to this office on or before the due date. A failure or refusal to file a completed return could result in an arbitrary valuation based on the best information available, and the application of those penalties as provided by statute. For proper reporting, submit all data items on the enclosed forms. Return all forms even if nothing reported thereon.

Page i presents the Table of Contents for the reporting forms, followed by statutory notice providing authority and penalty provisions for noncompliance, and filing or mailing instructions. Each form or worksheet is described by its intended content, what follows are instruction for their completion.

The Affidavit, Form 902-1 must be notarized and have the **original signature of an officer of the subject company** whose relationship with said company ensures that all data submitted is fully and correctly given.

Forms 902-2 & 902-3 company contact information (see Oklahoma Agent Authorization Form), operational and regulatory information, **All operational changes are to be outlined on Form 902-2 (Taxpayer Information).**

Form 902-4 is the Exempt/In Lieu of Worksheet for the respondent to provide notice of Oklahoma property, and its original cost, where the respondent makes an in lieu of tax payment.

Form 902-4-E Exempt intangible personal property election, the respondent elects the methodology of how to exclude intangible personal property from the appraised value.

Form 902-4-I Is the **intangible personal property exemption worksheet**, where the respondent will list any claim(s) of exempt intangible personal property for the reported company, on a **system** basis (supporting documentation must be attached).

Form 902-5 identifies the mapping guidelines for your respective industry. Include responding company's name, Ad Valorem Company ID number and date of tax year, on each map.

Form 902-6 is the state allocation worksheet requesting the respondent to provide original cost and accumulated depreciation totals of its taxable property in Oklahoma and all other states or provinces where the reporting company has property, and the resulting sum. Forward the original cost information, as presented in this worksheet, to Form 903 (Property Allocation).

Form 903 requests those factors necessary to determine the proper allocation of value to the state of Oklahoma. Information should correspond with that included in Forms 902-4 (Exempt/In Lieu of Worksheet), 902-6 (State Allocation) for the System and Oklahoma. The form concludes with a calculated field of Oklahoma taxable property less any Oklahoma property where the respondent pays an in-lieu of tax, with this result being the respondents total original cost for value apportionment as reported in the 913-DV (State Apportionment) County Detail Sheets.

904 Forms request the financial information of the reporting company, that being balance sheet and income statement information, debt and capital stock information, parent/reporting company

allocation, construction work in progress, cash flow information, and the Oklahoma rendered fair cash value (respondents estimate of Oklahoma value). Much of the data required is readily available in regulatory reports respondents file with other agencies. Non-regulated respondents must relate these accounts to their respective accounting system. **Report all financial and accounting data on a system basis. Submission of only Oklahoma data is not acceptable unless reporting company operates entirely in Oklahoma.**

If the reporting company or the respondent is a subsidiary of another company that is a publicly traded company, report the traded company name and its traded monthly high/low price per share of the capital stock price information for the calendar year preceding the assessment date. Shares outstanding should reflect shares held by the public and should not include unissued, reacquired or treasury stock. The allocation data for capital stock requires four factors: Gross Revenue, Net Income, Gross Assets, and Total (Net) Assets, these factors require completion when the respondent is a subsidiary company and the parent company has traded stock. Compute Gross Assets by adding accrued depreciation to Total (Net) Assets. Total (Net) Assets are on the balance sheet at the bottom of the asset portion. Net Income should reflect income before extraordinary items.

Construction work in progress (CWIP) portion of the 904 should itemize CWIP based on its expected completion.

Form 913-DV requires Original Cost information of all **taxable** property by taxing jurisdiction and should be exclusive of that property where the respondent pays an Oklahoma in lieu of tax (see Form 903). Taxing jurisdiction and original cost information should match the Apportionment Data Request Form, as input for the current year. File singularly with the information requested on each form (see instructions on Form 913-DV). Descriptions of property should be complete enough for county officials to determine the properties location and its content, no acronyms. **File one county per page.** Each page should contain the name of the company filing and the county's name. Filing of Form 913-DV is required annually for all centrally valued companies.

Form 913-D does **not** request original cost information. All other information should be identical to the information filed on Form 913-DV. File singularly with the information requested on each form (see instructions on Form 913-D). Descriptions of property should be complete enough for county officials to determine the properties location and its content, no acronyms. **Restrict input to one county per page and the production of one-sided copies.** Each page should contain the name of the company filing and the county's name. Filing of Form 913-D is required annually for all centrally valued companies.

NOTE:

With the completion of Form 913-DV in the Annual Report of the respondents selected industry, on Oklahoma Tax Commission's website (www.tax.ok.gov) in the Ad Valorem Section under Public Service Valuation Forms, the utilization of the fillable format will populate Form 913-D.

Property Distribution / County Detail

In Oklahoma, each taxing jurisdiction has a unique reference number, with each reporting company responsible for reporting their original cost of non-exempt taxable property, less in-lieu of, in the respective jurisdictions where they have situs. Distribution or apportionment of each company's total assessed value utilizes the company reported original cost information by taxing jurisdiction. The percentage of apportionment to each taxing jurisdiction is determined by dividing the reporting company's original cost in each taxing jurisdiction by its total original cost. These percentages applied to the reporting company's total assessed value, determines the respective taxing jurisdictions apportioned value.

Use Oklahoma Tax Commission ad valorem reference numbers as provided to achieve the distribution/apportionment of property. **The listing of property should be in order of ad valorem reference number (ADVRN) by county.** The ADVRN represents a unique eleven-digit number assigned to represent the various taxing jurisdictions in the state. A series of numbers utilized for sorting and property location purposes. The Oklahoma Department of Education informs us of school district changes as they occur, but if you are aware of changes or discrepancies not reflected in this presentation, please bring them to our attention.

Refer to your completed PROPERTY ALLOCATION FACTORS (Form 903) for totals before completing the Apportionment Data Request Form and Form 913-DV. The total original cost of taxable property in Oklahoma, as reported by taxing jurisdiction for the current year, should not include any exempt intangible personal property or any property where the reporting company pays an in lieu of tax.

If your company was centrally valued the previous year, you will be in receipt of an APPORTIONMENT DATA REQUEST FORM printout reflective of your company's original cost of non-exempt taxable property by taxing jurisdiction as filed for the previous year. To ensure proper apportionment, companies should review these cost numbers and location of property and any operational changes, as reflected on Form 902-2, occurring during the year (new, retired, sold or relocated property, etc.) and make the appropriate changes, if any, to this year's cost and taxing jurisdiction information. The computer printout can be marked with these changes and returned to the Oklahoma Tax Commission. Upon completion, the total original cost on the Apportionment Data Request Form should match the total original cost of Oklahoma taxable property reported on Form 903 (Property Allocation) less any Oklahoma property where an in lieu of tax is paid, and the total of the original cost numbers as reported on Form 913-DV (County Detail/Distribution).

If your company is new to Oklahoma, proper apportionment can be achieved through utilization of Form 913-DV (County Detail/Distribution). Use the School District and Ad Valorem Reference Number List (posted on the Oklahoma Tax Commission's website) and the maps located at the University of Oklahoma's website (<http://data.csa.ou.edu/list.html>). From there, you may select the school district map (.pdf) under each county to identify each ad valorem reference number and school district (taxing jurisdiction) contained therein. Alternatively, you can select "statewide" on the drop down menu to view municipal maps. The respondent can identify the county and school district information, and properly identify their property and its taxable original cost (less property where the reporting company pays an in lieu of tax) information by taxing jurisdiction. Please follow all the instructions on this form. Form 913-

DV (County Detail/Distribution) is an annual required filing for all centrally valued companies. **The total of the original cost reported on Form 913-DV (County Detail/Distribution) should match the Oklahoma original cost of taxable property as reported on Form 903 (Property Allocation) less any property where the respondent pays an in lieu tax in Oklahoma.**

If your company has new property in Oklahoma, in taxing jurisdictions that do not appear on your distribution database printout, follow the same procedure as described above for first time filers.

All reporting companies are responsible for the annual completion of Forms 913-D and 913-DV.

The appraisal will have attached, for your review, a printout titled COMPANY CURRENT AND PRIOR YEAR ORIGINAL COST – FOR VERIFICATION. This printout should be reflective of your apportionment as filed for the current tax year. To ensure proper apportionment to the correct taxing jurisdiction review carefully the cost numbers for the current tax year and the assigned location of your company's property on the verification report. Report all revisions to the Oklahoma Tax Commission – Ad Valorem Division – Public Service Section, as soon as possible.

EXPLANATION OF

AD VALOREM REFERENCE NUMBER (ADVRN)

The AD VALOREM REFERENCE NUMBER (ADVRN) is an **eleven-digit** code utilized in the computerization process of the apportionment of assessed values to the various taxing jurisdictions in the State. Since there are numerous duplications and triplications of school district designations, it became necessary in the computerization process to assign a unique number to each school district (taxing jurisdiction). The system takes into account all joint districts as well as vo-tech districts. The first two (2) digits designate the county in which the school district is located (**01-xxx-xx-xxxx**). The next three (3) digits are the school district designation (**xx-001-xx-xxxx**). The next two (2) digits denote the vo-tech designation (**xx-xxx-04-xxxx**) the last four digits are the city, fire protection district or rural designation (see following table).

Rural	0000
City	1000 – 2999
Fire Protection District	7000 – 7500
Fire Protection District + City	7501 – 7999
Fire Protection District + Ambulance	8000 – 8500
Fire Protection District + Ambulance + City	8501 – 8999
Ambulance	9000 – 9500
Ambulance + City	9501 - 9999

An example of a non-joint school district, as well as a joint school district, would be:

NON-JOINT DISTRICT

<u>COUNTY</u>	<u>SCHOOL DIST. NO.</u>	<u>SCHOOL DIST. NAME</u>	<u>VO-TECH</u>	<u>CITY OR RURAL</u>
Adair	I-4	WATTS	04	Rural
01-----	002-----		04-----	0000

JOINT DISTRICT

<u>COUNTY</u>	<u>SCHOOL DIST. NO.</u>	<u>SCHOOL DIST. NAME</u>	<u>JOINT COUNTY</u>	<u>VO-TECH</u>	<u>CITY OR RURAL</u>
Adair	JI-3	Kansas	Delaware	04	Rural
01-----	177-----			04-----	0000

In looking at the school district designation by county, it can be noted that in the case of the joint districts, the second three (3) digits, 177, can be found in Delaware County where the school district designation will be DELAWARE I-3 KANSAS, the ADVRN will be 21-177-11-0000. The present school district designation utilizes a "J" before the school district number. This signifies that a joint school district is present. The "J" should only appear in the county where the minority of the school district is located.

POSSIBLE ERRORS

1. Column One (ADVRN)

If the county name is left blank or misspelled, column one (ADVRN) will not contain a number. To correct column one (1), determine the proper county or proper spelling for the listed county and enter it onto the computer printout. Locate that county in the School District and Ad Valorem Reference Number List; next locate the proper school district and the ADVRN (ad valorem reference number). Enter the eleven (11) digit ADVRN in column number one (1) on the printout.

EXAMPLES:

1	2	3	4	5	6	7
AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT	CITY / TNSP, FPD NAME OR RURAL	JOINT DISTRICT	VO-TECH	ORIGINAL COST JANUARY 1 PRIOR YEAR	ORIGINAL COST JANUARY 1 CURRENT YEAR
***** _/_/_/_/_	I-4	RURAL		4	100	110
***** _/_/_/_/_	JI-3	RURAL	DELAWARE	4	150	160
TOTALS					250	270

SCHOOL DISTRICT NUMBERS
WITH CORRESPONDING
AD VALOREM REFERENCE NUMBERS

COUNTY	SCHOOL DISTRICT NUMBER	SCHOOL DISTRICT NAME	JOINT COUNTY	ADV REFERENCE NUMBER
ADAIR	I-4	WATTS		***** 01/002/04/0000 *****
ADAIR	JI-3	KANSAS	DELAWARE	01/177/04/0000

***** Enter this number in column one (1)

POSSIBLE ERRORS

2. Column One (ADVRN)

If completely blank, refer to number one above. If the second three (3) numbers are blank, it will usually indicate a problem with the school district designator. In this case, check to see that the proper school district designator applicable to the location of your property is used. Once this has been determined, locate the proper county and school district in the School District and Ad Valorem Reference Number List and enter the second three (3) digits found in the far right-hand column into the proper place in column one (1) on the printout. Also, make the needed changes in columns two, three, four and/or five (2-5).

EXAMPLES:

1	2	3	4	5	6	7
AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT	CITY / TNSP, FPD NAME OR RURAL	JOINT DISTRICT	VO-TECH	ORIGINAL COST JANUARY 1 PRIOR YEAR	ORIGINAL COST JANUARY 1 CURRENT YEAR
*** 01/___/04/0000	I-4	RURAL		4	100	110
*** 01/___/04/0000	JI-3	RURAL	DELAWARE	4	150	160
TOTALS					250	270

SCHOOL DISTRICT NUMBERS
WITH CORRESPONDING
AD VALOREM REFERENCE NUMBERS

COUNTY	SCHOOL DISTRICT NUMBER	SCHOOL DISTRICT NAME	JOINT COUNTY	ADV REFERENCE NUMBER
ADAIR	I-4	WATTS		*** 01/002/04/0000 ***
ADAIR	JI-3	KANSAS	DELAWARE	01/177/04/0000

*** Enter this number in column one (1)

POSSIBLE ERRORS

3. Column One (ADVRN)

If the next two digits in the ADVRN column one (1) on the printout are blank, it usually indicates an incorrect junior college or vo-tech designator. In this case, check to see if the proper vo-tech designator applicable to the location of your property in column five (5) on the printout is used. If not, make the needed correction. Locate the applicable county and school district in the School District and Ad Valorem Reference List. The two digits in the ADVRN will indicate the proper vo-tech designator. Enter these two digits in the proper place in column one (1) of the printout.

EXAMPLES:

1	2	3	4	5	6	7
AD VALOREM REFERENCE NUMBER	SCHOOL DISTRICT	CITY / TNSP, FPD NAME OR RURAL	JOINT DISTRICT	VO-TECH	ORIGINAL COST JANUARY 1 PRIOR YEAR	ORIGINAL COST JANUARY 1 CURRENT YEAR
** 01/002/___/___	I-4	RURAL		4	100	110
** 01/177/___/___	JI-3	RURAL	DELAWARE	4	150	160
TOTALS					250	270

SCHOOL DISTRICT NUMBERS
WITH CORRESPONDING
AD VALOREM REFERENCE NUMBERS

COUNTY	SCHOOL DISTRICT NUMBER	SCHOOL DISTRICT NAME	JOINT COUNTY	ADV REFERENCE NUMBER
ADAIR	I-4	WATTS		** 01/002/04/0000
ADAIR	JI-3	KANSAS	DELAWARE	** 01/177/04/0000

** Enter this number in column one (1)