COMMONWEALTH OF KENTUCKY
**DEPARTMENT OF REVENUE**
OFFICE OF PROPERTY VALUATION
MOTOR VEHICLE BRANCH
FRANKFORT, KENTUCKY 40620

PRSRT STD
U.S. POSTAGE
**PAID**
Permit No. 2000
Louisville, Ky.

# 2006

# APPORTIONED VEHICLE PROPERTY TAX RETURN

To Interstate Motor Carriers:

Kentucky Revised Statute (KRS) 136.1873 requires the Department of Revenue to assess interstate motor carriers. The Apportioned Vehicle Property Tax Return, Revenue Form 61A203, must be filed by all motor carriers that operate in interstate commerce partially within Kentucky. The 2006 return should include all vehicles owned and/or leased as of January 1, 2006, that operated partially within the Commonwealth of Kentucky during calendar year 2005. The equipment that does not enter Kentucky does not have to be listed. Any miles generated by equipment not listed on the return cannot be used in the **total miles traveled everywhere** section of Schedule A.

A return must be completed for each motor carrier. Whoever holds the Kentucky operating authority must file the tax return. ***Computer-generated facsimiles or copies*** of the apportioned vehicle property tax return are permitted provided all information requested in the return is included.

The mileage report (Schedule A) must be based on the Kentucky mileage and total mileage traveled during calendar year 2005 for vehicles that are listed on the return. **The total Kentucky miles must equal the total mileage reported on the calendar year 2005 quarterly International Fuel Tax Agreement (IFTA) tax reports. However, if your quarterly IFTA tax reports do not match what you are filing on the apportioned vehicle property tax return, attach an explanation of why the difference exists (i.e., sale of vehicle before January 1; wrecked before January 1; junked before January 1).**

All taxpayers who receive this return must file the return on or before April 15, 2006. If the return is not applicable, it must be returned to the Department of Revenue with an explanation as to why it does not apply.

### Kentucky-Based Motor Carriers

Kentucky-based carriers that operate apportioned plated vehicles must file the tax return and list all equipment except passenger automobiles. **Passenger automobiles** must be registered and taxed through the county clerk's office. All power units listed on the International Registration Plan (IRP) must be included on the tax return, and, in addition, equipment with regular Kentucky registration that operates in interstate commerce (trailers, small trucks, vans, buses, etc.) must be included. Taxpayers must still go to the county clerk to register (receive tags) equipment with regular Kentucky registration that operates in interstate commerce; however, *no ad valorem taxes* should be paid to the county clerk. The ad valorem taxes will be billed and collected by the Department of Revenue through the apportioned vehicle property tax return. Returns can be obtained through the Internet at *http://www.state.ky.us/agencies/revenue/taxforms.htm*. or at the local county clerk or property valuation offices.

# 2006
# INSTRUCTIONS
# APPORTIONED VEHICLE PROPERTY TAX RETURN

## REVENUE FORM 61A203

### WHAT TO WATCH FOR IN 2006

The following is a list of common problems taxpayers have incurred.

1. On the reverse of Form 61A203 is **Schedule A-1**. This schedule provides a space to list total miles traveled in Kentucky and total miles traveled everywhere.
2. Taxpayers listing only equipment that entered Kentucky must include only the miles the listed equipment operated and should not add the miles for equipment not included on the return.

   **Example:** 2 trucks listed and total miles = 1,200,000; 2 trucks cannot operate 1,200,000 miles in one year.

### DEFINITIONS AND GENERAL INSTRUCTIONS

The following instructions have been designed to assist taxpayers in preparing the Apportioned Vehicle Property Tax Return, Revenue Form 61A203. While these instructions set forth the general requirements, they are not a substitute for the law itself.

**Who Must File**—All vehicles that entered the Commonwealth of Kentucky during calendar year 2005 and are still owned/leased on January 1, 2006, must be reported on the apportioned vehicle property tax return. If a company has no Kentucky miles or operates on nonapportioned tags, yet maintains Kentucky authority, you must complete items 1 through 9, then state on the form your reason, (no Kentucky miles or no apportion tags) then sign and date the return and send to the address listed on the return. **The location of your base plate has no relevance in regard to your filing responsibility.**

**Taxpayer**—All individuals, partnerships, corporations and any other business association owning or operating power units (including but not limited to trucks, tractors, buses and/or any other unit used to *convey* or power *conveyance units* bearing freight and/or passengers across state lines) and trailers (including but not limited to full trailers, semi, drop-deck, flat-bed, low-boy, special purpose, all classes of tankers) owned or leased by an individual, corporation, partnership or any other business association whose route or system is partly within the Commonwealth of Kentucky and partly within another state or states must file the apportioned vehicle property tax return. Any company having apportion authority may, at their option, include all vehicles in their fleet on the apportion return, **excluding sport utility vehicles and cars.**

**Assessment Date**—The assessment date for all apportioned equipment is January 1.

**Filing Requirements**—An apportioned vehicle property tax return must be filed for each fleet that operates partially within the Commonwealth of Kentucky. The return must be filed with the Department of Revenue on or before April 15 for vehicles owned or leased as of January 1 of the taxable year. **Extensions for late filing of the apportion return must be requested in writing prior to April 15 and will only be granted for 30 days.**

**Everyone must file, regardless of whether or not a company had Kentucky mileage.**

**Apportionable Vehicle**—Any vehicle (except recreational and government-owned vehicles) used or intended for use in two or more states that allocate or proportionally register vehicles and is used for the transportation of persons for hire or designed, used or maintained primarily for the transportation of property. **Any pick-up and delivery vehicle operating from a terminal in Kentucky and does not leave the state in a normal course of business must be listed on Schedule B.**

**Established Place of Business**—A physical structure owned, leased or rented by the fleet, the location of which is designated by street number or road location, and which is open during normal business hours; and in which are located: (1) a telephone or telephones publicly listed in the name of the fleet; (2) a person or persons conducting the fleet registrant's business; and (3) the operational records of the fleet (or where such records can be made available).

**Fleet**—One or more apportionable vehicles reported under a specific KYU number.

**Age**—**Age of a unit is determined by date of purchase whether equipment is new or used, not by model or manufacturing date.** The age of leased equipment is determined by the year of purchase by the lessor. Costs of major overhauls, such as gliderkits, are to be considered in the year in which they occur.

**Leased Equipment**—Taxpayers holding the Kentucky operating authority are responsible for list of all leased equipment.

**Payment of Taxes**—All taxpayers subject to tax under KRS 136.1873 will be billed by the Department of Revenue after each company's return has been audited and assessed. A notice of assessment/bill will be issued and taxpayers shall have 45 days in which to protest the assessment/bill in the manner provided in KRS 131.110 or pay the assessment/bill. If protest is not received within 45 days, or the tax bill has not been paid, penalties and interest will accrue. In addition to the penalties and interest, a 25 percent collection fee will be added in accordance with KRS 131.440. The tax rate is calculated annually by the Department of Revenue. Upon determination of the tax rate, the tax bills will be issued. The Kentucky taxable value is determined by multiplying the total taxable value by the Kentucky allocation factor. The Kentucky taxable value is then multiplied by the tax rate to determine the tax liability. The following example illustrates the computation of the tax liability. The example utilizes the 1994 tax rate for purposes of the computation. The tax rate used above is likely to change each year. Do not assume that the tax **rate will remain constant** for every tax year.

**Example:** Total taxable value—$1,000,000; allocation factor—2% ($1,000,000 x 2% (.02) = $20,000). Kentucky taxable value ($20,000) multiplied by tax rate (67.5 cents per $100 (.00675)) = $135 **Tax Liability**.

## Do not send payment of taxes with the return.

### VALUATION OF EQUIPMENT

The Department of Revenue has instituted the following valuation procedure to value all equipment subject to the provisions of KRS 136.1873. This procedure utilizes conversion factors which take into consideration replacement cost **new**, less depreciation. All power equipment must use the conversion factors for trucks. All other equipment must use the conversion factors for trailers. Any wrecked equipment should be listed at salvage value which is 25 percent of retail cost. Conversion factors do not apply to wrecked vehicles. **Age is determined by year of purchase, whether equipment is new or used.** Taxable values are determined by multiplying the original cost of equipment by the conversion factor that corresponds with the type (trucks, trailers) and age of the equipment. The Kentucky assessment is determined by multiplying the total taxable value of all equipment by the Kentucky allocation factor as determined on Schedule A.

### CONVERSION FACTOR TABLE

| Year of Purchase | Age | Trucks/ Buses | Trailers | Year of Purchase | Age | Trucks/ Buses | Trailers |
|---|---|---|---|---|---|---|---|
| 2005 | 1 | .891 | .994 | 1994 | 12 | .256 | .383 |
| 2004 | 2 | .699 | .962 | 1993 | 13 | .237 | .348 |
| 2003 | 3 | .581 | .925 | 1992 | 14 | .217 | .314 |
| 2002 | 4 | .532 | .871 | 1991 | 15 | .200 | .281 |
| 2001 | 5 | .483 | .812 | 1990 | 16 | .200 | .254 |
| 2000 | 6 | .436 | .720 | 1989 | 17 | .200 | .231 |
| 1999 | 7 | .401 | .652 | 1988 | 18 | .200 | .215 |
| 1998 | 8 | .362 | .579 | 1987 | 19 | .200 | .200 |
| 1997 | 9 | .329 | .517 | 1986 | 20 | .200 | .200 |
| 1996 | 10 | .300 | .464 | 1985 & older | | .200 | .200 |
| 1995 | 11 | .275 | .417 | | | | |

Over 20 years = .200 for trucks and trailers

### LINE ITEM INSTRUCTIONS FOR APPORTIONED VEHICLE PROPERTY TAX RETURN (FORM 61A203)

**The following instructions are number coded by line and/or column for the 2006 apportioned vehicle property tax return.**

1. If name and address on peel-off sticker on front cover are correct, remove and place in box 1, then go to step 7. If information on sticker is not correct, go to step 2.
2. Enter complete name of taxpayer (individual, corporation, partnership or any other business association).
3. Enter business street address where records are maintained.
4. Enter city of address listed in 3 above.
5. Enter state and ZIP code of address listed in 4 above.
6. Leave blank—-state use only.
7. Enter KYU number if applicable.
8. Enter federal identification or Social Security number.
9. Enter contact person and telephone number (name of person Department of Revenue should contact in case questions should arise).
10. Enter vehicle identification number from bill of sale, title or purchase agreement.
11. If equipment is leased, enter the name of the lessor as shown on registration, title or purchase agreement. This applies to the name of owner/operator.
12. Enter the license plate number of vehicle as of January 1, 2005.
13. **For Kentucky Titled Equipment Only**—Enter the title number directly from title showing ownership.
14. Enter the year of purchase as shown on purchase agreement. **The year of purchase determines age of unit.** The year in which unit is purchased determines year chosen from conversion factor table. (See above.)
15. Enter age of unit as determined by subtracting the year purchased from 2006. **Example:** 1985 power unit purchased in 1992—subtract the year of purchase from 2006 (2006 – 1992 = 14). See 17 to determine conversion factor.
16. Enter purchase price (that price paid by present owner), as shown on bill of sale or purchase agreement. **Purchase price must be in US dollars.** If purchase price is not available, then other sources such as *N.A.D.A. Official Commercial Truck Guide* may be used. If NADA is used you must use retail cost and omit items 15, 16 and 17. Item 14 should show an "N" for new. If no value is listed, a value of $100,000 will be assigned to that vehicle.
17. Conversion Factor—The appropriate conversion factor is determined by selecting the column, tractor or trailer, then go to the line that corresponds to the age of the unit. The appropriate factor will be that factor where the column and line intersect. Example for selecting proper conversion factor: Truck purchased July 3, 1992.
    A. Determine age of vehicle. Deduct year of truck from taxable year.
    **Example:** 2006 – 1992 = 14
    B. Refer to conversion factor table on this page.
    C. Select column for trucks.
    D. Look under age column, go to age 14, look under column for trucks, the conversion factor for the truck described above is .217.

18. Taxable Value—Determined by multiplying the conversion factor (Column 17) by purchase price (Column 16).

19. Total number of trucks (power units) listed on return.

20. Total number of trailers listed on return.

21. Total number of trucks (power units) added to total number of trailers listed on return (Line 19 + Line 20).

22. Signature, date and address of person certifying information furnished on return is true and correct.

23. Total Taxable Value This Page—Add taxable value for all vehicles listed on this page. If additional pages are needed, copies may be made of the continuation sheet.

24. Total Taxable Value from Continuation Pages—Bring totals forward from continuation pages if used. If no continuation pages were used, enter zero (0).

25. Grand Total Taxable Value—Add Lines 23 and 24 above.

26. Allocation Factor--Brought forward from Schedule A. If mileage figures are not listed, an allocation factor of 1.0 will be assigned when calculating tax liability.

27. Kentucky Allocated Value—Multiply Line 26 by Line 25.

28. Total Kentucky Pick-up and Delivery Vehicles—This total comes from **Schedule B**.

29. Kentucky Taxable Value (Line 27 + Line 28)—**This is not tax due; a tax rate will be applied to this figure by the Department of Revenue to determine the tax owed.**

***Indicates a required entry on forms.**

**Send all returns to:** Department of Revenue
Office of Property Valuation
200 Fair Oaks Lane, Fourth Floor
Motor Vehicle Branch–Station 32
Frankfort, Kentucky 40620
(502) 564-2555

# DO NOT SEND PAYMENT WITH TAX RETURN.

## APPORTIONED VEHICLE PROPERTY TAX RETURN

## SCHEDULE A-1

## ALLOCATION FACTOR AND MAJOR INTERSTATE ROUTES

1. Total miles traveled in Kentucky ........................................................................ ____________________

2. Total miles traveled everywhere ........................................................................ ____________________

3. Allocation factor (Line 1 divided by Line 2) .................................................................. 0 . __ __ __ __

# ➤ Schedule A Must Be Completed

### INSTRUCTIONS FOR COMPLETING SCHEDULE A

1. Enter the **total miles traveled in the Commonwealth of Kentucky** during the taxable year (January 1 through December 31, 2005). The four quarterly International Fuel Tax Agreement tax reports filed during the taxable year may be used to determine the total miles traveled in Kentucky during the calendar year.

2. Identify the vehicles that generated the miles reported in (1) above and only enter the **total miles traveled everywhere** by those vehicles. The vehicles that generated Kentucky miles are the only vehicles that must be listed on the apportioned vehicle property tax return.

3. The **allocation factor** is determined by dividing total miles traveled in Kentucky (Line 1) by total miles traveled everywhere (Line 2). Total miles traveled everywhere are those miles generated by the vehicles that came into Kentucky during the taxable year only. The conversion factor will be less than or equal to one and should contain four decimal places. If mileage totals are not listed, an allocation factor of 1.0 will be used in calculating tax liability.

**Example of Determining the Allocation Factor for XYZ Company**

XYZ Company has 25 trucks, however only two of these trucks entered the Commonwealth of Kentucky during the taxable year. The total miles traveled in Kentucky were reported on the quarterly fuel tax returns as follows:

| | |
|---|---|
| First Quarter | 350 Miles |
| Second Quarter | 0 Miles |
| Third Quarter | 897 Miles |
| Fourth Quarter | 1,291 Miles |
| Total KY Miles | 2,538 Miles |

Total miles everywhere for the two vehicles that entered Kentucky = 100,000 miles.

Allocation Factor: $\frac{2,538}{100,000} = .02538$

### INSTRUCTIONS FOR COMPLETING SCHEDULE B

1. List all pick-up and delivery vehicles that operate from a terminal within Kentucky. The taxpayer must fill in all columns contained on Schedule B. If continuation pages are necessary, attach them to Schedule B and place total on proper line.

2. The total for **Kentucky pick-up and delivery vehicles** must be entered on Line 28. Line 28 is located on the front page of the tax return.

61A203 (11-05)

Commonwealth of Kentucky

DEPARTMENT OF REVENUE

# 2006 APPORTIONED VEHICLE PROPERTY TAX RETURN

SCHEDULE A

| | | |
|---|---|---|
| 1. PLACE PEEL-OFF STICKER HERE | 2. Name of Taxpayer | 6. LEAVE BLANK—State Use Only |
| | 3. Address or P.O. Box Number of Taxpayer | *7. KYU Number / DOT Number |
| | 4. City of Address in 3 Above | 8. Federal Identification or Social Security Number |
| | 5. State and ZIP Code of City in 4 Above | 9. Contact Person* / *Telephone Number |

| *10. Complete Vehicle Identification Number (List only vehicles that entered Kentucky during the taxable year.) | 11. Name of Lessor Owner/Operator | 12. License Plate Number | 13. Title Number (Kentucky Vehicles Only) | *14. Year of Purchase | 15. Age | *16. Purchase Price | 17. Conversion Factor (from Table) | 18. Taxable Value (Column 16 Multiplied by Column 17) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

19. Total Number of Power Units Listed on This Return

20. Total Number of Trailers Listed on This Return

21. Total Number of Power Units Added to Total Number of Trailers Listed on This Return (Line 19 + Line 20)

22.

The signature affixed certifies that the information furnished in this return and attached schedules is true and correct.

By ______________________________ Title

______________ Date

______________________________
City State

E-mail address______________________________

| | |
|---|---|
| 23. Total This Page | |
| 24. Total from Continuation Pages | |
| 25. Grand Total Taxable Value (Line 23 + Line 24) | |
| 26. Allocation Factor from Schedule A | |
| 27. Kentucky Allocated Value (Line 25 x Line 26) | |
| 28. Kentucky Pick-up and Delivery Vehicles | |
| 29. Kentucky Taxable Value (Refer to instruction 29) | |

61A203(A) (11-05)
Commonwealth of Kentucky
**DEPARTMENT OF REVENUE**

# 2006 APPORTIONED VEHICLE PROPERTY TAX RETURN
## Continuation



| **2.** Name of Taxpayer | **8.** Federal ID No. or Social Security No. |
|---|---|
| | |

| ***10.** Complete Vehicle Identification Number | **11.** Name of Lessor Owner/Operator | **12.** License Plate Number | **13.** Title Number (Kentucky Vehicles Only) | ***14.** Year of Purchase | **15.** Age | ***16.** Purchase Price | **17.** Conversion Factor (from Table) | **18.** Taxable Value (Column 16 Multiplied by Column 17) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | **24.** Total This Page ➤ | |

Schedule B

# KENTUCKY PICK-UP AND DELIVERY VEHICLES

| 2. Name of Taxpayer | 8. Federal ID No. or Social Security No. |
|---|---|
| | |

| *10. Complete Vehicle Identification Number | 11. Name of Lessor Owner/Operator | 12. License Plate Number | 13. Title Number (Kentucky Vehicles Only) | *14. Year of Purchase | 15. Age | *16. Purchase Price | 17. Conversion Factor (from Table) | 18. Taxable Value (Column 16 Multiplied by Column 17) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

| | |
|---|---|
| Total This Page ➤ | |
| Total from Continuation Page for only Schedule B | |
| Total Kentucky Pick-up and Delivery Vehicles. *(This total must be entered on line 28.)* | |