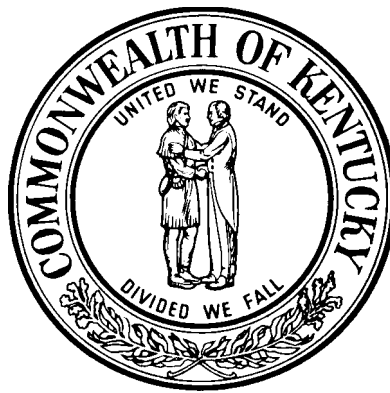


# Property Tax Forms and Instructions for Public Service Companies 2007



COMMONWEALTH OF KENTUCKY

OFFICE OF PROPERTY VALUATION

DEPARTMENT OF REVENUE



**TAXPAYER ASSISTANCE AND MAILING ADDRESS**

Kentucky Department of Revenue  
Office of Property Valuation  
Public Service Branch, Station 32, Fourth Floor  
200 Fair Oaks Lane  
Frankfort, KY 40620  
(502) 564-8175  
(502) 564-8192 (fax)  
*www.revenue.ky.gov* (Internet)  
*krcwebresponsepublicservice@ky.gov*. (e-mail)

**The following property tax returns and schedules are included in this packet and are available from *www.revenue.ky.gov* or upon request.**

- Revenue Form 61A200      Public Service Company Property Tax Return
- Schedule A            Report of Total Unit System and Kentucky Operations
- Schedule B            Report of Kentucky Vehicles, Carlines and Watercraft
- Schedule C            Report of Operations—Balance Sheet
- Schedule D            Report of Operations—Income Statement
- Schedule E            Filing Extension Application
- Schedule G            Report of Capital Stocks
- Schedule H            Report of Funded Debt
- Schedule I            Business Summary by Taxing District
- Schedule J            Property Summary by Taxing District
- Schedule K            Operating Property Listing by Taxing District
- Schedule K2          Nonoperating Property Listing by Taxing District
- Schedule L            Report of Allocation Factors
- Schedule M            Report of Property and Business Factors for  
                                 Interstate Railroad and Sleeping Car Companies
- Schedule N1–N3      Report of Leased Real and Personal Property
- Schedule O            Railroad Private Car Mileage Report
- Schedule Q            Supplemental Report of Operations for Contained and  
                                 Residential Landfills
- Schedule R            Report of Property Subject to the Pollution Control Tax Exemption
- Schedule S            Filing Requirements for Commercial Passenger and Cargo Airlines
- Schedule U            Industrial Revenue Bond Property

Revenue Form 61A209      Public Service Company Sales

Revenue Form 41A720-CI    Application for Coal Incentive Tax Credit  
*(available on Web site or upon request)*

**The Kentucky Department of Revenue  
Mission Statement**

*As part of the Finance and Administration Cabinet the mission of the Kentucky Department of Revenue is to administer tax laws, collect revenue, and provide services in a fair, courteous, and efficient manner for the benefit of the Commonwealth and its citizens.*

\* \* \* \* \*

*The Kentucky Department of Revenue does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.*

## CLASSIFICATION OF PUBLIC SERVICE PROPERTY

The Department of Revenue prescribes the following classification of property to be used by the public service companies.

<b>Type of Property</b>	<b>Classification</b>
Unmined Coal	Real Estate
Leasehold	Real Estate
Oil & Gas Wells	Real Estate
Pipelines (Transmission)	Real Estate
Conduits	Real Estate
Stored Gas, Oil & Coal (Noncurrent)	Real Estate
Stored Gas (Current)	Tangible
Gas Compressors	Tangible
Oil Lifting Units	Tangible
Oil Storage Tanks	Tangible
Television Cable	Tangible
Gathering Lines	Tangible
Electric Transmission Lines	Tangible
Electric Distribution Lines	Tangible
Meters & Regulators	Tangible
Underground Cables	Tangible
Telephone Lines	Tangible
Wire in Underground Conduits	Tangible
Towers	Tangible
Electric Substations/Transformers	Manufacturing Machinery
Machinery & Equipment Used in the Manufacture of Gas	Manufacturing Machinery
Water Treatment Equipment	Manufacturing Machinery
Property Certified Under KRS 224.01-300 by Sales & Use Tax	Pollution Control

For other types of property please see KRS 132.020 and KRS 132.200.

COMMONWEALTH OF KENTUCKY  
FINANCE AND ADMINISTRATION CABINET  
**DEPARTMENT OF REVENUE**  
FRANKFORT  
40620



TO: All Public Service Companies

DATE: December 1, 2006

SUBJECT: 2007 Public Service Company Property Tax Returns

Effective for tax year 2007, the Public Service Branch will no longer automatically send out the Public Service Company Property Tax Return, Form 61A200, and accompanying schedules, or the Filing Extension Application, Form 61A200(E). Instead, the Kentucky Department of Revenue has made the returns and schedules available on the Department of Revenue's Web site and through Fax on Demand. Taxpayers who take advantage of these services can save the Commonwealth of Kentucky significant budget resources, resources that can then be spent on other taxpayer needs.

To request the return via Fax on Demand, dial (502) 564-4459 and request the general PSC packet (Form 61A200 packet) containing the schedules listed below. To download the return in Adobe Acrobat Reader, access the Department of Revenue's Web site at [www.revenue.ky.gov](http://www.revenue.ky.gov). All public service companies should download the general PSC packet (Form 61A200 packet) or the required forms for your industry as indicated below:

Type of Company	Property Tax Return and Schedule Required
Passenger & Cargo Airlines	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, L, N1-N3, R, S, U
Bargelines	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, L, N1-N3, R, U
Electric Utilities, Electric Power Companies, RECC & Marketing	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, L, N1-N3, R, U, CI
Landfill Companies	61A200 & Schedules A, B, C, D, D1, G, H, J, K, K2, L, N1-N3, Q, R, U
Railroad Companies	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, M, N1-N3, O, R, U
Sewer & Water Companies	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, L, N1-N3, R, U
Gas Utilities, Transmissions & Marketing	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, L, N1-N3, R, U
Oil Transmission Companies	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, L, N1-N3, R, U
Ferry & Toll Bridges	61A200 & Schedules A, B, C, D, D1, G, H, I, J, K, K2, L, N1-N3, R, U
Communication Service Providers	61A500-T New Form

Public service property tax returns are due April 30 of each tax year. Extensions may be granted for 30 days if the extension is requested in writing before April 30 **and includes a report detailing any increases or decreases in property of \$50,000 or more in any taxing jurisdiction** (KRS 136.130). Incomplete extension requests will be denied and a penalty may apply. No extension will be granted beyond May 30. Schedule E, Filing Extension Application, Form 61A200(E), is available separately online and through Fax on Demand to expedite the process.

Detailed information regarding filing, penalties, the assessment process, etc., are included in the instructions. Returns and extension applications should be mailed to: **Kentucky Department of Revenue, Division of State Valuation, Public Service Branch, 200 Fair Oaks Lane, Fourth Floor, Station 32, Frankfort, KY 40620**, telephone (502) 564-8175, fax (502) 564-8192.

A copy of the return will be mailed if requested at the above address or via e-mail at [KRCWEBResponsePublicService@ky.gov](mailto:KRCWEBResponsePublicService@ky.gov). Copies may also be requested by phone at (502) 564-8175. Returns are now available on the Department of Revenue's Web site. Copies of the returns requested by mail and Fax on Demand will be available no earlier than January 2, 2006.

**When filing your 2007 return, use the enclosed cover sheet (Revenue Form 61A200). The information contained on the mailing label is essential in processing your return properly.**

# INSTRUCTIONS FOR FILING PUBLIC SERVICE COMPANY PROPERTY TAX RETURN

## INTRODUCTION

This packet has been designed for public service companies who are required by KRS 136.120 through KRS 136.180 to file Kentucky property tax returns. It contains the necessary returns, schedules and instructions for this purpose.

## WHO MUST FILE (KRS 136.120)

In accordance with state law, every railway company, sleeping car company, chair car company, dining car company, gas company, water company, ferry company, bridge company, street railway company, interurban electric railroad company, express company, electric light company, electric power company, commercial air carrier, air freight carrier, pipeline company, common carrier water transportation company, privately owned regulated sewer company, municipal solid waste disposal facility, railroad car line company and every other like company, business or association performing any public service shall file property tax returns, schedules, regulatory reports and other such facts as the Department of Revenue, Office of Property Valuation may require.

The Department of Revenue, Office of Property Valuation shall have the sole responsibility to value and assess all of the property of every corporation, company, association, partnership, or person performing any public service, including those mentioned above and all others to whom this section may apply.

## WHAT TO FILE (KRS 136.130–KRS 136.140)

All public service companies are required to file Revenue Form 61A200, Public Service Company Property Tax Return, and all accompanying schedules (A through U). In addition to these returns, any public service company that is regulated in any capacity by a federal or Kentucky authority **must** submit a copy of the annual report filed with that authority. **Also, all companies must submit a copy of their annual report to stockholders and/or parent company annual report.** Companies who have bought or sold any operating property must include detailed information regarding the transaction.

All returns, reports and schedules shall cover a period of 12 months ending December 31. Taxpayers may substitute individual schedules on taxpayer form as long as all information requested is supplied.

## Type of Company

Airlines & air freight  
Common Carrier  
Bargelines  
Electric utility  
Gas utility  
Gas transmission  
Gas & electric utility  
Electric & gas marketing  
Landfills  
Oil transmission  
Railroads  
Rural electric co-ops  
Privately owned sewer  
Water

## Supplementary Reports Required

Stockholders report & U.S. Department of Transportation Form RSPA 41  
Stockholders annual report & Organizational Chart  
KY Public Service Commission annual report & FERC annual report & stockholders report  
Annual report to stockholders & audited financial statements  
FERC annual report & stockholders report  
ICC annual report & stockholders report  
REA annual report & stockholders report  
KY Public Service Commission annual report  
KY Public Service Commission annual report & stockholders annual report

## WHEN TO FILE

All public service companies as specified in KRS 136.120(1) shall make, file and deliver to the Office of Property Valuation on or before April 30 of each year the required tax returns, schedules, regulatory reports and other such facts covering the preceding calendar year.

## WHERE TO FILE

All tax returns, schedules and regulatory reports must be mailed to the following address:

Kentucky Department of Revenue  
Office of Property Valuation  
Public Service Branch, Station 32, Fourth Floor  
200 Fair Oaks Lane  
Frankfort, KY 40620

## FILING EXTENSIONS (KRS 136.130)

A taxpayer may be granted a 30-day extension for filing the public service company property tax return if it requests the extension before the due date of the return and includes with the extension request a report of any increases or decreases in property of \$50,000 or more in any taxing jurisdiction.

Upon written application, the Office of Property Valuation **may** grant an extension when in its judgment an extension is deemed necessary and proper.

No extension will be granted beyond May 30. See Schedule E.

### **LATE FILING PENALTY (KRS 132.290)**

Any public service company that fails to timely complete, file and deliver the required tax return, schedules and regulatory reports on or before the due date, shall pay a minimum penalty of 10 percent of the total taxes due.

### **PENALTY FOR NONCOMPLIANCE (KRS 136.150, KRS 136.990, KRS 132.290)**

If any public service company fails to report as required by KRS 136.130 and KRS 136.140 on or before April 30 of each year, the Office of Property Valuation shall ascertain the required facts and determine the assessment values in such a manner and by such means as it deems proper, at the cost of the company failing to comply with state law.

The penalty for failure to file is 20 percent of the total taxes due.

Furthermore, any public service company, or officer thereof, that willfully fails or refuses to make, file and deliver reports as required by KRS 136.130 and KRS 136.140 shall be fined \$1,000, and \$50 for each day the reports are not made after April 30 of each tax year. In addition, civil action may be brought to compel the company or officer thereof to make the required reports.

### **DETERMINATION OF THE ASSESSMENT (KRS 136.160)**

Each year the Office of Property Valuation shall determine the fair cash value of the operating property (real estate, tangible and franchise) of a public service company as a unit. This unit value shall then be apportioned to Kentucky based on the average of the property factor and the business factor.

The property factor shall fairly reflect the amount of operating property owned and/or leased in Kentucky compared to the total amount of operating property owned and/or leased everywhere. The business factor shall fairly reflect the utilization of the operating property owned and/or leased in Kentucky compared to the utilization of operating property owned and/or leased everywhere. These factors may be a single factor or an average of several factors.

The nonoperating tangible and nonoperating intangible property of public service companies shall be valued separately using the same fair cash value standard as utilized by the county assessor. The value is **not** apportioned.

Public service companies that own mineral resources that are reported on Revenue Forms 62A024, Undeveloped Oil and Gas Property Tax Return; 62A377-A, Mineral Property Report and Mineral Owners' Tax Return on Unmined Coal; 62A384, Oil Property Tax Return; and 62A384-G, Natural Gas Property Tax Return, must include copies of these reports with the public service company tax return. The assessment for mineral property is considered nonoperating real estate and will be in addition to the assessment for a company's operating property. The mineral property must be itemized on Schedule K in order to situs such property.

### **ALLOCATION OF THE ASSESSMENT (KRS 136.170)**

Once the operating property is valued as a unit, the department shall allocate the assessed value in this state among the county, school, city and/or other special taxing jurisdictions.

Nonoperating tangible property shall be allocated to the county, school, city and/or other special taxing jurisdictions where the property is located.

Nonoperating intangible property is taxable for state purposes only at the same rate as the intangible property of other taxpayers not performing public services.

### **NOTIFICATION OF ASSESSMENT (KRS 136.180)**

Each year the Office of Property Valuation shall determine the assessed value of the operating property and other property of a public service company and notify the company by mail of the assessment amount and the state tax liability.

Once the valuation has been finalized, the Office of Property Valuation shall immediately certify the assessment to the county clerk of each county in which any of the operating property or nonoperating tangible property is liable to local taxation. The county clerk shall then certify the assessment to the proper collecting officer of the county, school, city and/or special taxing jurisdiction for collection.

**Effective January 1, 2006, the Department of Revenue shall bill, collect and distribute all state and local property taxes for common carrier water transportation companies. Any fees owed to the Department of Revenue by any local taxing district shall be deducted before any distribution is made to any local taxing district under the provisions of this subsection.**

### **WHERE TO PROTEST**

All protests must be mailed to the following address:

Finance and Administration Cabinet  
Division of Protest Resolution  
Office of Legal Services for Revenue  
Property Tax Resolution/Public Service Section  
PO Box 3  
Frankfort KY 40602-0003

### **PROTESTING YOUR ASSESSMENT (KRS 131.110, KRS 136.180(2), KRS 134.590 and 103 KAR 1:010)**

The Office of Property Valuation is required to mail to the taxpayer a notice of any property assessed. The assessment shall be final if not protested in writing to the Division of Protest Resolution, Office of Legal Services for Revenue, within 45 days from the date of the notice of assessment or the assessment will become final and the state taxes will be due. Such protest

shall be accompanied by a supporting written statement setting forth the grounds upon which the protest is made. The supporting statement must set forth whether the protest is based on a factual disagreement and/or disagreement in the interpretation of the applicable statutes. If there are disputed factual issues, the taxpayer must provide financial statements, records, assessments or other documents which will allow the Division of Protest Resolution some basis for reconsideration. Further, the statement must clearly identify the specific portion(s) of the assessment to which the protest relates.

**Effective July 15, 1998**, no appeal shall delay the collection or payment of taxes based upon the assessment in controversy. The taxpayer shall pay all state, county and other local jurisdictional taxes due on the valuation which the taxpayer claims as the true value as stated in the protest filed under KRS 131.110. Once the appeal is finalized and the valuation finally determined, the taxpayer shall be billed for any additional tax and interest (at the rate as defined in KRS 131.010(6)) from the date the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to the tax bill.

Any unprotested portion (your claimed value) of the assessment becomes final at the end of the 45-day protest period. If you protest your assessment, payment of your state and local tax on the claimed value is due with your protest letter. Your protest letter must clearly and logically identify how your claimed valuation was determined and must specify the value which you claim to be the true value of property. The Kentucky claimed value must be (1) classified into the various state property tax classifications, (2) the state tax must be calculated on the classified claimed value and (3) the claimed value must be properly allocated to the affected local taxing jurisdictions.

After a timely protest has been filed, the taxpayer **may** request a conference with the Division of Protest Resolution. The taxpayer may appear in person or by representative. All taxpayers represented by attorney or tax agent must file a power of attorney with the Division of Protest Resolution. Further conferences may be held by mutual agreement. Consideration is given to additional information presented by the taxpayer at the conference.

If the taxpayer's protest of an assessment or refund denial cannot be resolved through correspondence and/or conferences, the Division of Protest Resolution shall issue a written final ruling on any matter still in controversy to be mailed to the taxpayer. The ruling shall state that it is a final ruling of the department, the issues of controversy, the taxpayer's position, the department's position and the procedure for prosecuting an appeal to the Kentucky Board of Tax Appeals (KBTA).

The taxpayer may request a final ruling from the Division of Protest Resolution at any time after filing a timely protest. When it is requested, the department shall issue such ruling within 30 days from the date the request is received.

After the final ruling has been issued, the taxpayer may appeal to the KBTA.

## **KENTUCKY BOARD OF TAX APPEALS (KRS 131.340—KRS 131.370, KRS 136.050, 103 KAR 1:010)**

If a taxpayer desires to appeal a final ruling of the Division of Protest Resolution, the taxpayer must apply for a hearing before the KBTA within 30 days from the date of issuance of the final ruling.

The appeal must be filed in quintuplicate; contain a brief statement of the law and the facts in issue; contain the petitioner's position regarding the law, facts or both; and must contain the petitioner's position regarding the Division of Protest Resolution. The board will set a date for a formal hearing and notify the taxpayer.

On the basis of the hearing, briefs and other documents, the board will issue a written order which will affirm, reverse, modify or remand the final ruling, and will forward a copy of the order to the taxpayer, Division of Protest Resolution and the Department of Revenue.

Assessments upheld by the board shall be due and payable 30 days after the date of the board's order. All taxes (state, county, school, city and other special taxing jurisdictions) found to be due on any protested assessment or portion thereof shall begin to bear interest at the appropriate rate per annum on the 61st day after the KBTA acknowledges receipt of the protest, but in no event shall interest begin to accrue prior to January 1 following April 30 of the year in which the returns, schedules and regulatory reports are due.

Any party aggrieved by a final order of the KBTA may, within 30 days after such order becomes final, file an appeal with the Franklin Circuit Court or the circuit court of the county in which the aggrieved party resides or conducts his place of business.

### **PAYMENT OF TAX (KRS 131.110 and KRS 136.050)**

All state taxes assessed against any public service company under the provisions of KRS 136.120 to KRS 136.200 shall be due and payable 45 days from the date of the notice of assessment, unless otherwise protested. State taxes are payable to the "Kentucky State Treasurer."

If you intend to pay your state taxes assessed against a public service company by use of the Coal Incentive Tax Credit granted under KRS 141.110, you must file the Coal Incentive Tax Credit Certificate with this return.

All county, school, city and other special taxes shall be due and payable 30 days after a notice of tax due is issued by the designated collecting officer, unless otherwise protested.

### **FAILURE TO PAY TAX (KRS 136.050, KRS 136.990)**

Every public service company that fails to pay its state, county, school, city and other special taxes when due shall be deemed delinquent, subject to a 10 percent penalty on the tax due and

thereafter subject to interest at the appropriate rate as defined in KRS 131.010(6). In addition, a 20 percent cost of collection fee will be added to liabilities that have become final, due and owing.

Furthermore, any public service company that willfully fails to pay its taxes, penalty and interest, shall be fined \$1,000 and \$50 for each day the same remains unpaid to be recovered by indictment or civil action, of which the Franklin Circuit Court shall have jurisdiction.

**AMENDED RETURNS**

Adjustments to assessments will only be considered if amended data is supplied before the protest period expires or as part of

the supporting documentation included with a protest.

To amend any portion of the return, submit a new schedule with "AMENDED," the date submitted and a signature and title of the person filing the amendment written on each page of the amended schedule or on a cover page.

**Forms may be obtained from:**

*www.revenue.ky.gov* (Internet)

<b>Other Reports Required</b>
<p>All companies are required to submit a complete copy of their Public Service Commission Annual Report. (KRS 136.130 and KRS 136.140)</p> <p>Also, a copy of stockholder's annual report, parent company's annual report, organization's financial statements, organizational chart and informational reports, copy of all sales/merger/exchange agreements and completion of the appropriate sales form (Revenue Form 61A209 or 61A210) are required as well as the other reports requested on page 1. (KRS 136.130 and KRS 136.140)</p>





**REPORT OF TOTAL UNIT SYSTEM  
 AND KENTUCKY OPERATIONS**

**A**

**As of December 31, 2006**

<b>REAL PROPERTY—Operating</b>	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F)</b>
	Total Unit System Original Cost	Total Unit System Depreciation	Total Unit System Depreciated Cost	Kentucky Original Cost	Kentucky Depreciation	Kentucky Depreciated Cost
(1) General Plant—Real .....						
(2) Land .....						
(3) Buildings and Leasehold Improvements .....						
(4) Rights of Way .....						
(5) Pipelines—Transmission and Distribution .....						
(6) Stored Gas, Oil and Coal (Noncurrent) .....						
(7) CWIP—Real .....						
(8) Operating Leased Property—Real .....						
(9) Capital Leased Property—Real .....						
(10) Noncarrier Property—Real .....						
(11) Industrial Revenue Bonds—Real .....						
(12) Other .....						
<b>(13) Total Real Property .....</b>						
<b>PERSONAL PROPERTY—Operating</b>						
(14) General Plant—Personal .....						
(15) Furniture and Fixtures .....						
(16) Computers and Software .....						
(17) Materials and Supplies .....						
(18) CWIP—Personal .....						
(19) Stores and Fuel Stock Expenses Undistributed .....						
(20) Fuel Stock Stored—Current .....						
(21) Business Inventory Held for Resale .....						
(22) Airline Spare Parts .....						
(23) Airline Rotable Parts, Assemblies and Engines .....						
(24) Airline Slots and Gates .....						
(25) Aircraft Fuel Inventory .....						
(26) Motor Vehicles—Owned .....						
(27) Motor Vehicles—Capital Leased .....						
(28) Motor Vehicles—Operating Leased .....						
(29) Railroad Cars—Owned and Leased .....						
(30) Towers .....						
(31) Completed construction Not Classified .....						
(32) Miscellaneous Personal Property .....						
(33) Capital Leased Property—Personal .....						
(34) Operating Leased Property—Personal .....						
(35) Noncarrier Property—Personal .....						
(36) Industrial Revenue Bonds—Personal .....						
(37) Personal Property Held in Foreign Trade Zone .....						

**SEE REVERSE**

<b>PERSONAL PROPERTY—Operating</b>	(A)	(B)	(C)	(D)	(E)	(F)
	Total Unit System Original Cost	Total Unit System Depreciation	Total Unit System Depreciated Cost	Kentucky Original Cost	Kentucky Depreciation	Kentucky Depreciated Cost
(38) Manufacturing Machinery .....						
(39) Business Inventory/Raw Materials—Manf. Mach. ....						
(40) CWIP—Manufacturing Machinery .....						
(41) Operating Leased Property—Manf. Mach. ....						
(42) Industrial Revenue Bonds—Manf. Mach. ....						
(43) Certified Pollution Control Facility Machinery .....						
(44) Recycling Equipment .....						
(45) Radio, Television and Telephonic Equipment .....						
(46) Other .....						
(47) <b>Total Personal Property</b> .....						
(48) <b>Total Operating Hard Assets</b> (line 13 plus line 47) .....						
<b>NONOPERATING/NONUTILITY PROPERTY</b>						
(49) Real—Owned and Leased .....						
(50) Personal—Owned and Leased .....						
(51) Manufacturing Machinery .....						
(52) Other .....						
(53) <b>Total Nonoperating Property</b> .....						
(54) <b>Total Operating and Nonoperating Assets</b> (line 48 plus line 53) .....						
<b>INTANGIBLE PROPERTY—Operating</b>						
(55) Goodwill .....						
(56) Permits, Licenses and Customer Lists .....						
(57) Allowances .....						
(58) Derivative Instrument Assets .....						
(59) Organizational Expenses and Franchises .....						
(60) Other .....						
(61) <b>Total Intangible Property</b> .....						
<b>INTANGIBLE PROPERTY—Nonoperating</b>						
(62) .25 Intangibles .....						
(63) .015 Intangibles .....						
(64) <b>Total Nonoperating Intangibles</b> .....						
(65) <b>GRAND TOTAL —All Property</b> .....						

**INSTRUCTIONS:** Complete the following summary of system and Kentucky plant investment for your operation. Indicate the original cost, depreciation and net book values. The total property reported on line 48, Columns (D), (E) and (F) must equal the total property values reported for all counties on Schedule K. The total property reported on line 53, Columns (D), (E) and (F) must equal the total property values reported for all counties on Schedule K2. The total property reported on line 54, Columns (D), (E) and (F) must equal the total property values reported for all counties on Schedule J.

**NOTE:** Operating leased property and CWIP (construction work in progress) must be separated into real, tangible personal and manufacturing machinery property subclasses. Property classified as a pollution control facility must have received certification under KRS 224.01-300 prior to the January 1 assessment date.

**REPORT OF KENTUCKY VEHICLES,  
CAR LINES AND WATERCRAFT**



*As of December 31, 2006*

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**KENTUCKY APPORTIONED VEHICLES**

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Did you file a 2006 Kentucky Apportioned Vehicle Return, Revenue Form 61A203?  Yes  No

If yes, what was the total Kentucky taxable value from page 1, line 29? \$ \_\_\_\_\_

What is your KYU number? \_\_\_\_\_

Provide the breakdown of the taxable value for the following categories of apportioned vehicles:

Owned Apportioned Vehicles \$ \_\_\_\_\_

Leased Apportioned Vehicles \$ \_\_\_\_\_ Total Annual Lease Payment Paid \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

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**KENTUCKY REGULAR VEHICLES**

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Do you report, register and license any regular vehicles (nonapportioned) in the Commonwealth of Kentucky?  Yes  No

If yes, what was the total assessed value of these regular Kentucky vehicles? \$ \_\_\_\_\_

Provide the breakdown of the assessed value into the following categories:

Owned Vehicles \$ \_\_\_\_\_

Leased Vehicles \$ \_\_\_\_\_ Total Annual Lease Payment Paid \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

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**SUPPLEMENTAL INFORMATION**

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Did you file a 2007 Public Service Company Property Tax Return for Railroad Car Lines, Revenue Form 61A202?  Yes  No

If yes, what was the Kentucky taxable value from page 1? \_\_\_\_\_

Did you file a 2007 Kentucky Watercraft Property Tax Return, Revenue Form 61A207?  Yes  No

**REPORT OF TOTAL UNIT OPERATIONS  
 BALANCE SHEET**



*As of December 31, 2006*

Please submit internal financial statement (preferably audited) if available. Otherwise, prepare this schedule. Financial statements required should represent the entire unit, not just Kentucky portion.

Line No.	Item	Amount for Current Year (Omit Cents)
	<b>ASSETS</b>	
	<b>Current Assets:</b>	
1.	Cash	
2.	Temporary Investments	
3.	Accounts Receivable ( <i>Attach Separate Schedule Showing Detail</i> )	
4.	Intercompany Accounts Receivable ( <i>Attach Separate Schedule Showing Detail</i> )	
5.	Inventory	
6.	Other Current Assets ( <i>Attach Separate Schedule Showing Detail</i> )	
7.	<b>Total Current Assets</b>	
	<b>Fixed Assets:</b>	
8.	Land	
9.	Building	
10.	Plant Equipment	
11.	Unallocated Items	
12.	Materials and Supplies	
13.	Construction Work in Progress	
14.	Other Fixed Assets	
15.	Plant Adjustment	
16.	Less: Accumulated Depreciation	
17.	<b>Total Fixed Assets</b>	
	<b>Other Assets:</b>	
18.	Other Assets ( <i>Attach Separate Schedule Showing Detail</i> )	
19.	Less: Accumulated Amortization	
20.	Goodwill Less: Accumulated Amortization	
21.	<b>Total Other Assets</b>	
22.	<b>Total Assets</b>	
	<b>LIABILITIES</b>	
	<b>Current Liabilities:</b>	
23.	Loans Payable	
24.	Accounts Payable	
25.	Other Current Liabilities	
26.	<b>Total Current Liabilities</b>	
	<b>Deferred Credits:</b>	
27.	Total Deferred Credits	
	<b>Long-Term Debt:</b>	
28.	Total Long-Term Debt	
	<b>Owner's Equity:</b>	
29.	Total Stock Issued	
30.	Proprietor's Equity	
31.	Retained Earnings	
32.	Other Owner's Equity	
33.	<b>Total Owner's Equity</b>	
34.	<b>Total Liabilities and Owner's Equity</b>	

**REPORT OF TOTAL UNIT OPERATIONS  
 INCOME STATEMENT**



12 Months Ending December 31, 2006

Please submit internal financial statement (preferably audited) if available. Otherwise, prepare this schedule. Financial statements required should represent the entire unit, not just Kentucky portion.

Line No.	Item	Amount for Current Year (Omit Cents)
	<b>Operating Income:</b>	
1.	Operating Revenue	
2.	Cost of Goods Sold ( <i>Attach Separate Schedule Showing Detail</i> )	
3.	<b>Operating Gross Profit</b>	
4.	Owner's Compensation	
5.	Employees' Wages and Benefits	
6.	Operating Lease Payments—Real ( <i>Must Complete Schedule N1</i> )	
7.	Operating Lease Payments—Personal ( <i>Must Complete Schedule N2</i> )	
8.	Operating Lease Payments—Motor Vehicles ( <i>Must Complete Schedule B</i> )	
9.	Depreciation	
10.	Amortization	
11.	Taxes, Other Than Income	
12.	All Other Deductions ( <i>Attach Separate Schedule Showing Detail</i> )	
13.	<b>Total Deductions (Add Lines 4 Through 12)</b>	
14.	<b>Operating Net Income</b>	
	<b>Other Income and Expenses:</b>	
15.	Other Income, Net ( <i>Attach Separate Schedule Showing Detail</i> )	
16.	<b>Net Income Before Interest and Taxes</b>	
17.	Interest Income	
18.	Interest Expense	
19.	<b>Net Income Before Taxes</b>	
20.	Income Taxes	
21.	Deferred Income Taxes	
22.	<b>Net Income</b>	

**Total Number of Employees:** Full-time \_\_\_\_\_ Part-time \_\_\_\_\_ Total \_\_\_\_\_

Date of Organization or Purchase \_\_\_\_\_

Present Owner Purchased Operation, Give Name of Prior Owner  
 \_\_\_\_\_

Purchase Price (Including all considerations and debt) \_\_\_\_\_

Date Service Began \_\_\_\_\_

Subscribers/Customers \_\_\_\_\_

Average Regular Subscriber/Customer Monthly Fee \_\_\_\_\_

Revenue and Expense for Five Previous Years

Year Ending December 31,	2005	2004	2003	2002	2001
(1) Gross Revenue	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(2) Operating Expenses	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(3) Operating Lease Payments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(4) Depreciation	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(5) Amortization	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(6) Taxes Other Than Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(7) Operating Income = <i>(Line 1 Minus Lines 2 Through 6)</i>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(8) Other Income Net	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(9) Interest Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(10) Interest Expense	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(11) Federal and State Income Taxes	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(12) <b>NET INCOME</b> = <i>(Line 7 Minus Lines 8 Through 11)</i>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____









**INSTRUCTIONS  
FOR  
SCHEDULE G**

**Capital Stocks Analysis**

- (A) Enter the various issues of capital stock of the taxpayer, distinguishing separate issues of any general class if different in any respect.
- (D) Enter the total par value outstanding at the close of the year, including amounts in the hands of investors and all amounts held alive by the company in sinking or other funds.
- (E) Enter the total shares or par value held by the taxpayer in any fund or in the treasury at the close of the year.
- (G) Enter the **high** market trade price for the year ending December 31, 2006.
- (H) Enter the **low** market trade price for the year ending December 31, 2006.
- (I) If fair value is other than average of (G) and (H), give the method used to arrive at fair value.
- (J) Enter the fair market value of the outstanding capital stock by multiplying (F) and (I).

**NOTE:** If the capital stock is held by a parent corporation or holding company, complete the schedule for that organizational entity. Please indicate the name of the holding company or the parent corporation at the top of the form.

**REPORT OF FUNDED DEBT**  
**As of December 31, 2006**

Name of Taxpayer \_\_\_\_\_

<b>H FUNDED DEBT ANALYSIS</b>				
(A) Long Term and Other Debt Obligations Class and Series of Obligations	(B) Outstanding Amount Per Balance Sheet*	(C) Interest Rate**	(D) Annual Interest Amount \$	(E) Fair Value*** As of Dec. 31, 2006
<b>Subtotal</b>	\$		\$	\$

Current and Accrued Short Term Debt Obligations Class and Series of Obligations	Outstanding Amount Per Balance Sheet*	Interest Rate**	Annual Interest Amount \$	Fair Value*** As of Dec. 31, 2006
<b>Subtotal</b>	\$		\$	\$
<b>Grand Totals</b>	\$		\$	\$

\*The outstanding amounts must total the current and long term liability amounts indicated on your year end balance sheet.

\*\*If the interest rate is variable, indicate the year end rate or the weighted average rate.

\*\*\*Indicate the December 31, 2006 traded market value of each debt obligations. If a fair market valuation analysis has been performed and indicated in your annual report or 10K, indicate those values.

## BUSINESS SUMMARY BY TAXING JURISDICTION



As of December 31, 2006

Page \_\_\_\_\_

Name of Taxpayer \_\_\_\_\_

*INSTRUCTIONS ON REVERSE*

(1) Name of Taxing Jurisdiction	(2) Gross Revenues	(3) Customers	(4) Electric Line Mileage	(5) Pipeline Mileage	(6) Departures	(7) Enplane Passengers	(8) Deplane Passengers	(9) Enplane Freight, Express and Mail	(10) Deplane Freight, Express and Mail
<b>GRAND TOTALS ►</b>									

**NOTE:** The totals for each column must balance to the total Kentucky values indicated on Schedule L.

**Bargelines must list on this sheet the Kentucky waterways traveled. Kentucky waterways include the Ohio (90%), Mississippi (50%), Cumberland (100%), Tennessee (100%), Green (100%), Big Sandy (50%) and Tradewater (100%) rivers.**

# INSTRUCTIONS FOR SCHEDULE I

## BUSINESS SUMMARY BY TAXING JURISDICTION

*This form must contain a summary of the business activity within each taxing jurisdiction measured by gross revenues, customers, electric line mileage, pipeline miles, departures, enplane and deplane passengers and enplane freight, express and mail.*

- (1) Under "Name of Taxing Jurisdiction," list the county name first, next the school district(s) (county common or independent), then the cities, fire districts, watershed districts, soil conservation districts, garbage district, ambulance district and all other special taxing jurisdictions. A list of possible taxing jurisdictions is available from the Department of Revenue's Web site at [www.revenue.ky.gov](http://www.revenue.ky.gov) and from the Office of Property Valuation, Division of State Valuation.
- (2) Under the column "Gross Revenues," indicate the gross operating revenues generated from your public service operation in each taxing jurisdiction.
- (3) Under the column "Customers," indicate the number of customers in each taxing jurisdiction.
- (4) Under the column "Electric Line Mileage," indicate the actual miles of electric line in each taxing jurisdiction.
- (5) Under the column "Pipeline Mileage," indicate the actual miles of pipeline in each taxing jurisdiction.
- (6) Under the column "Departures," indicate the number of takeoffs from an airport in each taxing jurisdiction.
- (7) Under the column "Enplane Passengers," indicate the total number of passengers loaded.
- (8) Under the column "Deplane Passengers," indicate the total number of passengers unloaded.
- (9) Under the column "Enplane Freight, Express and Mail," indicate the total tons of freight, express and mail loaded.
- (10) Under the column "Deplane Freight, Express and Mail," indicate the total tons of freight, express and mail unloaded.

If the space provided on this form is not sufficient, attach a separate schedule. This schedule must be 8½ x 11" (commercial size). Print on the upper right corner the letter I. Computer-generated schedules are also acceptable. If a multiple county I is submitted, attach a summary sheet. Furthermore, taxpayers may also file this required information on a 3½" computer disk, formatted in a manner specified by the Office of Property Valuation. Contact the Office of Property Valuation, Division of State Valuation, for instructions.

**SUBMIT ONE ORIGINAL COPY—DO NOT SEND ADDITIONAL COPIES**



**INSTRUCTIONS  
FOR  
SCHEDULE J**

**PROPERTY SUMMARY BY TAXING JURISDICTION**

*This form must contain a summary of the amount of operating and nonoperating property, owned and/or leased, located in this state for each county, city and special taxing jurisdiction.*

Per KRS 136.120(2) property is classified in the same manner as property of nonpublic service companies (see KRS 132.020 and 132.200).

- (1) Taxpayers must file Revenue Form 61A200(J) for each taxing jurisdiction within each county. A list of possible taxing jurisdictions is available from the Department of Revenue's Web site at [www.revenue.ky.gov](http://www.revenue.ky.gov) and from the Office of Property Valuation, Division of State Valuation.
- (2) Under "Name of Taxing Jurisdiction," list the county name first, next the school district(s) (county common or independent), then the cities, fire districts, watershed districts, soil conservation districts, garbage district, ambulance district and all other special taxing jurisdictions.
- (3) Under the appropriate column heading, indicate the total reported value of property for each taxing jurisdiction.

If the space provided on this form is not sufficient, attach a separate schedule. This schedule must be 8½ x 11" (commercial size). Print on the upper right corner the letter **J**. Computer-generated schedules are also acceptable. **Furthermore, taxpayers may also file this required information on a 3½" computer disk or compact disk, formatted in a manner specified by the Office of Property Valuation. Contact the Office of Property Valuation, Division of State Valuation, for instructions.**

**SUBMIT ONE ORIGINAL COPY—DO NOT SEND ADDITIONAL COPIES**



**OPERATING PROPERTY LISTING BY TAXING JURISDICTION**



**As of December 31, 2006**

Page \_\_\_\_\_

Name of Taxpayer \_\_\_\_\_

List of Property in \_\_\_\_\_ County \_\_\_\_\_

*INSTRUCTIONS ON REVERSE*

<p style="text-align: center;"><b>(A)</b>                      Description of Property (Including Address)  <i>Separate Property by Class</i></p>	<p style="text-align: center;"><b>(B)</b>                      Taxpayer's                      Original Cost</p>	<p style="text-align: center;"><b>(C)</b>                      Taxpayer's                      Net Book Value</p>	<p style="text-align: center;"><b>(D)</b>                      Taxpayer's                      Reported Value</p>
<p><b>TOTAL ►</b></p>			
<p><b>GRAND TOTALS ►</b></p>			

**INSTRUCTIONS  
FOR  
SCHEDULE K**

**OPERATING PROPERTY LISTING BY TAXING JURISDICTION**

This form must contain an inventory of the amount and kind of *operating property*, owned and/or leased, located in this state for each county, city and special taxing jurisdiction.

- (1) Taxpayers must file Revenue Form 61A200(K) for each taxing jurisdiction within each county. A list of possible taxing jurisdictions is available from the Department of Revenue's Web site at [www.revenue.ky.gov](http://www.revenue.ky.gov) and from the Office of Property Valuation, Division of State Valuation.
- (2) In Column (A), "Description of Property," report all real estate and tangible personally owned and/or leased. This listing must be specific and detailed. Real estate should be listed as to location (i.e., address, legal description—number of acres, map number, lot and block number, dimensions of lots, type construction, age and dimensions of improvements, etc.) and the year acquired. Property should be reported using the classified rate structure from KRS 136.020. Tangible personally owned also be listed broken down into the same categories as required by regulatory commission accounting.

**NOTE:** All tangible property utilized by the company regardless of age, condition or book value must be reported, including property which has been fully depreciated.

- (3) In Column (B), "Taxpayer's Original Cost," report the total cost of the item described. This is to include any cost to improve this item subsequent to purchase.
- (4) In Column (C), "Taxpayer's Net Book Value," report the net book value (gross less accumulated depreciation) of each property.
- (5) In Column (D), "Taxpayer's Reported Value," indicate, in the opinion of the taxpayer, the January 1 fair market value of the item described.

**NOTE:** The grand total for all Schedules K (counties only) must equal the total operating hard assets values found on Schedule A, line 48.

If the space provided on this form is not sufficient, attach a separate schedule. This schedule must be 8½ x 11" (commercial size). Print on the upper right corner the letter **K**. Computer-generated schedules are also acceptable. If a multiple county **K** is submitted, attach a summary sheet. **Furthermore, taxpayers may also file this required information on a 3½" computer disk or compact disk, formatted in a manner specified by the Office of Property Valuation. Contact the Office of Property Valuation, Division of State Valuation, for instructions.**

<b>SUBMIT ONE ORIGINAL COPY—DO NOT SEND ADDITIONAL COPIES</b>
---

**NONOPERATING/NONUTILITY PROPERTY LISTING BY TAXING JURISDICTION**

**As of December 31, 2006**

Page \_\_\_\_\_

Name of Taxpayer \_\_\_\_\_

List of Property in \_\_\_\_\_ County \_\_\_\_\_

*INSTRUCTIONS ON REVERSE*

<b>(A)</b> Description of Property (Including Address) <i>Separate Property by Class—Real Estate, Tangible Personalty and Intangible Property</i>	<b>(B)</b> Taxpayer's Original Cost	<b>(C)</b> Taxpayer's Net Book Value	<b>(D)</b> Taxpayer's Reported Value
<b>TOTAL ►</b>			
<b>GRAND TOTALS ►</b>			

**INSTRUCTIONS  
FOR  
SCHEDULE K2**

**NONOPERATING/NONUTILITY PROPERTY LISTING BY TAXING JURISDICTION**

This form must contain an inventory of the amount and kind of *nonoperating property*, owned and/or leased, located in this state for each county, city and special taxing jurisdiction.

- (1) Taxpayers must file Revenue Form 61A200(K2) for each taxing jurisdiction within each county. A list of possible taxing jurisdictions is available from the Department of Revenue's Web site at [www.revenue.ky.gov](http://www.revenue.ky.gov) and from the Office of Property Valuation, Division of State Valuation.
- (2) In Column (A), "Description of Property," report all real estate, tangible personalty and intangible property, owned and/or leased. This listing must be specific and detailed. Real estate should be listed as to location (i.e., address, legal description—number of acres, map number, lot and block number, dimensions of lots, type construction, age and dimensions of improvements, etc.) and the year acquired. Property should be reported using the classified rate structure from KRS 136.020. Tangible personalty should also be listed broken down into the same categories as required by regulatory commission accounting.
- NOTE:** All tangible property utilized by the company regardless of age, condition or book value must be reported, including property which has been fully depreciated.
- (3) In Column (B), "Taxpayer's Original Cost," report the total cost of the item described. This is to include any cost to improve this item subsequent to purchase.
- (4) In Column (C), "Taxpayer's Net Book Value," report the net book value (gross less accumulated depreciation) of each property.
- (5) In Column (D), "Taxpayer's Reported Value," indicate, in the opinion of the taxpayer, the January 1 fair market value of the item described.

**NOTE:** The grand total for all Schedules K2 (counties only) must equal the total nonoperating property values found on Schedule A, line 53.

If the space provided on this form is not sufficient, attach a separate schedule. This schedule must be 8½ x 11" (commercial size). Print on the upper right corner the letter **K2**. Computer-generated schedules are also acceptable. If a multiple county **K2** is submitted, attach a summary sheet. **Furthermore, taxpayers may also file this required information on a 3½" computer disk or compact disk, formatted in a manner specified by the Office of Property Valuation. Contact the Office of Property Valuation, Division of State Valuation, for instructions.**

**SUBMIT ONE ORIGINAL COPY—DO NOT SEND ADDITIONAL COPIES**

**REPORT OF ALLOCATION FACTORS**  
**OPERATING AND NONCARRIER PROPERTY**  
**For All Interstate Companies**  
**As of December 31, 2006**



Name of Taxpayer \_\_\_\_\_

*INSTRUCTIONS ON REVERSE*

**Taxpayers are required, as indicated below, to report the following allocation factors:**

- |   |  |
|---|--|
| Airlines—Lines 12 through 29  | Gas Utility Companies—Lines 1 through 5 and 7            |
| Barge Lines—Lines 1 through 4, 9 and 10                                 | Gas Transmission Companies—Lines 1 through 4 and 7 and 8 |
| Electric Utilities and Electric Power Companies—Lines 1 through 5 and 6 | Oil Transmission Companies—Lines 1 through 4 and 7 and 8 |
| Rural Electric Cooperatives—Lines 1 through 5 and 6                     | Railroad Companies—Use Schedule M                        |

**ALLOCATION FACTORS**

	Total Unit Amount	Total in Kentucky Amount	Kentucky Percent
(1) Gross Operating Property ( <i>see Sch. A, line 48</i> )*			
(2) Net Operating Property ( <i>see Sch. A, line 48</i> )* ...			
(3) Gross Operating Revenue .....			
(4) Net Operating Revenue (EBIT) .....			
(5) Customers .....			
(6) Wire Miles .....			
(7) Diameter Inch Pipe Miles .....			
(8) Through Put Pipe Miles .....			
(9) Actual Operated Miles—Watercraft .....			
(10) Revenue Ton Miles—Watercraft .....			
(11) Other _____			
(12) Arrivals .....			
(13) Departures .....			
(14) Equated Arrivals .....			
(15) Equated Departures .....			
(16) Actual Operated Flight Miles .....			
(17) Equated Flight Miles .....			
(18) Flight Time (Hours Airborne) .....			
(19) Ground Time (Hours Block to Unblock) .....			
(20) Total Time .....			
(21) Equated Total Time .....			
(22) Enplane Passengers Number .....			
(23) Deplane Passengers Number .....			
(24) Enplane Passengers (Tons) .....			
(25) Deplane Passengers (Tons) .....			
(26) Enplane Freight, Express and Mail (Tons) .....			
(27) Deplane Freight, Express and Mail (Tons) .....			
(28) Revenue Passenger Miles .....			
(29) Revenue Ton Miles—Airlines .....			

\*Schedule A must be completed by all taxpayers without exception. Filing penalties will apply if the taxpayer fails to complete Schedule A.

**INSTRUCTIONS  
FOR  
SCHEDULE L**

**DEFINITION OF FACTORS**

- (1) **Gross Operating Property:** The gross plant investment of hard operating assets. See Schedule A, line 48.
- (2) **Net Operating Property:** Gross operating property less depreciation. See Schedule A, line 48.
- (3) **Gross Operating Revenue:** All revenue related to public service operations. For telecommunications, Kentucky revenues are all receipts billed to Kentucky customers, including intrastate and interstate revenues.
- (4) **Net Operating Profit:** Operating revenues (factor 3) less operating expenses, income taxes and interest expense.
- (5) **Customers:** Total number of customers.
- (6) **Wire Miles:** Number of wire miles owned and leased.
- (7) **Diameter Inch Pipe Miles:** The total of all nominal pipe diameters (in inches) for all pipeline systems operated, multiplied by the corresponding length of pipe in miles.
- (8) **Through Put Pipe Miles:** For each movement operated by the pipeline, multiply the number of units delivered out of the system by the distance in miles the units were moved. Units may be barrels, Mcfs or other measurements.
- (9) **Total Actual Operated Miles:** Total miles actually operated during the prior calendar year. This includes all loaded, unloaded and pass through miles for barge and other watercraft.
- (10) **Revenue Ton Miles:** One ton of revenue commodities transported one mile. The watercraft miles operated on each waterway trip multiplied by the tons of revenue commodities carried on that trip.
- (11) **Other Property and Business Factors:** Taxpayers may use, with the consent of the Department of Revenue, factors which would more fairly reflect the operating property operated, owned or leased in Kentucky compared to the utilization everywhere. Enter the factors here.

**NOTES REGARDING THE FACTORS**

An equating adjustment shall be applied to the property factors only. It shall be based upon the original cost of the aircraft plus the cost of improvements and modifications. As a future option, the Kentucky Department of Revenue may utilize market derived aircraft values to determine the equating adjustment.

The arrivals and departures factor shall include all performed scheduled and nonscheduled arrivals and departures associated with interchange flights, connecting flights, overhaul, maintenance, flight testing and training. No adjustments shall be allowed to this factor.

The operating flight miles shall include all performed scheduled and nonscheduled service miles from civilian, government and military passenger, freight, express and mail service. A written explanation regarding the computation of the Kentucky miles shall be required. The Kentucky and system flight miles shall exclude nontaxable nonallocated fly-over miles for nonoriginating and nonterminating flights. A written explanation shall be required from the company regarding the method and computation of this factor.

The total time factor shall include all revenue and nonrevenue hours in flight and on the ground including hours associated with interchange flights, overhaul, maintenance, flight testing and training. No "time caps" shall be applied to ground time. The maximum number of hours associated with any given aircraft shall not exceed 8,760 hours of total time. Foreign time shall be included in the total system time factor. The Kentucky and system total time shall exclude nontaxable nonallocated fly-over time for nonoriginating and nonterminating flights. A written explanation shall be required from the company regarding the method and computation of this factor.

The total revenue ton miles factor shall include all performed scheduled and nonscheduled service miles, tons and revenues from civilian, government and military passenger, freight, express and mail service. A written explanation shall be required from the company regarding the method and computation of this factor. Also, a written explanation shall be required regarding the determination and allocation of revenues and miles between states.

The tons enplaned and deplaned factor shall include all passengers, freight, express and mail tons loaded and unloaded from scheduled and nonscheduled flights for twelve months ending December 31. All tons shall be reported including civilian, government and military passengers, freight, express and mail. Passengers should be converted to tons based upon the industry standard of 200 pounds per person. The Kentucky enplane and deplane tonnage shall exclude certain interchange and transshipped tons as specified by the Department of Revenue. A written explanation shall be required from the company regarding any exclusions claimed and the method used to derive the factors.

**REPORT OF PROPERTY AND BUSINESS FACTORS  
FOR INTERSTATE RAILROAD AND SLEEPING CAR COMPANIES**



**To Accompany Public Service Company Property Tax Return**

► *Print or Type Your Answers*

► *Instructions on Reverse*

Name of Taxpayer		Return for year ending December 31, 2006
------------------	--	---

**PART I—PROPERTY FACTORS**

<b>M 1</b>	<b>Distribution of Property:</b>					
		(A) Original Cost to December 31, 20____		(B) Changes in property since computation subsequent to December 31, 20____		
		(1) Total Property	(2) Total Road	(1) Additions to Road	(2) Retirements from Road	(3) Net additions of Equip. and Gen. Exp.
	Total Everywhere					
	In Kentucky					
	Percent in Kentucky					

<b>M 2</b>	<b>Distribution of Mileage:</b>				
			Total Everywhere	Total in Kentucky	Percent in Kentucky
	(A) Mileage owned, operated, leased and controlled	Main track			
		All track excluding trackage rights			
	(B) Total mileage operated	Main track			
		All track excluding trackage rights			
	(C) Mileage not operated	Main track			
		All track excluding trackage rights			

**PART II—BUSINESS FACTORS**

<b>M 3</b>					
(A) Traffic Units	Total in Kentucky	Total Everywhere	(B) Car and Locomotive Miles	Total in Kentucky	Total Everywhere
Ton Miles*			(1) Car miles*		
			(2) Locomotive miles		
<b>Total</b>			<b>Total</b>		
Percent		100%	Percent		100%
Tons Loaded			(C) Gross Receipts*		
Tons Unloaded			Percent		100%

\*Exclude amounts applicable to private cars which are individually taxed.

## **INSTRUCTIONS FOR SCHEDULE M**

If the space provided on this form is not sufficient, attach a separate schedule. This schedule must be 8½ x 11" (commercial size). Print on the upper right corner the letter **M**. If another party uses your car mark and is responsible for payment of taxes for their railcars, provide name of responsible party.

---

### **M 1—DISTRIBUTION OF PROPERTY**

Taxpayer is required to give:

- (A) The original cost to beginning of calendar year of:
    - (1) All property
    - (2) All property classified as road
  
  - (B) The changes in property during the calendar year:
    - (1) Additions to road
    - (2) Retirements from road
    - (3) Net additions or net retirements to equipment and general expenditures
- 

### **M 2—DISTRIBUTION OF MILEAGE**

Taxpayer is required to give main track mileage and all track mileage excluding trackage rights as of the close of the year for which the report is made for items (A), (B) and (C). The amounts on line (A) minus the amounts on line (B) should be equal to the amounts on line (C).

- (B) In this item, taxpayer's proportion of operated road held by it as a joint or common owner, or under a joint lease, or under any joint arrangement, must be included.
- 

### **M 3—BUSINESS FACTORS**

- (C) Gross receipts: Give amount of railway operating revenues assignable to Kentucky and total railway operating revenues. Give percent in Kentucky of this total railway operating revenues.







**SYSTEM REPORT OF LEASED PROPERTY**

As of December 31, 2006

Page \_\_\_\_\_

Complete the following chart. Indicate the system and Kentucky annual operating lease payments (rents) paid during the calendar year of 2006 for the categories of property indicated below. The "real property" category shall include all land, buildings, facilities, terminal space, ramp, ground rentals, hangars and other similar property. The "personal property" category shall include spare engines, assemblies, spare parts, computers, business machines, simulators, ground equipment and other similar property. The "aircraft" subcategory shall include all operating and nonoperating fleet aircraft rentals only. **DO NOT LIST CAPITAL LEASE RENT PAYMENTS.**

Name of Taxpayer \_\_\_\_\_

	System Wide Lease Rental Payments	Kentucky Lease Rental Payments
<b>REAL PROPERTY</b>		
Land .....	\$	\$
Buildings .....	\$	\$
Hangers .....	\$	\$
Terminal Space .....	\$	\$
Office Space .....	\$	\$
Pipeline .....	\$	\$
Storage Field Space .....	\$	\$
Other .....	\$	\$
<b>Subtotal</b> .....	\$	\$
<b>PERSONAL PROPERTY</b>		
Equipment (General) .....	\$	\$
Industrial Equipment .....	\$	\$
Heavy and Off Road Equipment .....	\$	\$
Motor Vehicles, Trucks and Trailers .....	\$	\$
Watercraft .....	\$	\$
Computers and Software .....	\$	\$
Business and Office Machines .....	\$	\$
Aircraft .....	\$	\$
Flight Simulators .....	\$	\$
Spare Aircraft Engines .....	\$	\$
Other .....	\$	\$
<b>Subtotal</b> .....	\$	\$
<b>Grand Total Operating Lease Rental Payments</b> .....	\$	\$



**SUPPLEMENTAL REPORT OF OPERATIONS  
 FOR CONTAINED AND RESIDENTIAL LANDFILLS**



Name of Company/Landfill \_\_\_\_\_

Permit Number \_\_\_\_\_ County Location \_\_\_\_\_

Year of Beginning Operation \_\_\_\_\_

December 31, 2006, Total Acres Owned and Leased \_\_\_\_\_ Residential \_\_\_\_\_ Contained \_\_\_\_\_

December 31, 2006, Total Permitted Acreage \_\_\_\_\_ Residential \_\_\_\_\_ Contained \_\_\_\_\_

	<b>Cubic Yards</b>	<b>Tons</b>
Total Permitted Air Space Capacity As of December 31, 2006	_____	_____
Total Expandable Fill Air Space Capacity As of December 31, 2006	_____	_____
Actual 2004 Waste Intake (12 Months) For Year Ending December 31, 2004	_____	_____
Actual 2005 Waste Intake (12 Months) For Year Ending December 31, 2005	_____	_____
Actual 2006 Waste Intake (12 Months) For Year Ending December 31, 2006	_____	_____
Projected 2007 Waste Intake (12 Months) For Year Ending December 31, 2007	_____	_____

	<b>Total Gross Income</b>	<b>Total Expenses (Excluding Interest and Income Tax Expense)</b>
2003 Gross Income	\$ _____	\$ _____
2004 Gross Income	\$ _____	\$ _____
2005 Gross Income	\$ _____	\$ _____
2006 Gross Income	\$ _____	\$ _____
Projected 2007 Gross Income	\$ _____	\$ _____

**NOTE:** The reported total gross income is before host fees. Factor up the gross income for intracompany discounting.

December 31, 2006, Posted Gate Rates	<b>Cubic Yards</b>	<b>Ton</b>
Solid Waste	\$ _____	\$ _____
Industrial Waste	\$ _____	\$ _____
Contaminated Soil	\$ _____	\$ _____
Asbestos	\$ _____	\$ _____
Other	\$ _____	\$ _____

Total Bonding Dollar Amount Posted with the Division of Waste Management, Department of Natural Resources:

\$ \_\_\_\_\_ as of December 31, 2006

**REPORT OF PROPERTY  
 SUBJECT TO THE POLLUTION  
 CONTROL TAX EXEMPTION**



In accordance with KRS 132.020, property certified as a pollution control facility as defined in KRS 224.01-300 is subject to an annual ad valorem tax for state purposes only of 15 cents per \$100 of assessment value. This exemption is extended to tangible personal property only that was approved and certificated as pollution control equipment by the Kentucky Department of Revenue, Sales and Use Tax Branch.

Property Description	Certificate Number	Certificate Effective Date	Original Cost	Net Book Value
(1)			\$	\$
(2)			\$	\$
(3)			\$	\$
(4)			\$	\$
(5)			\$	\$
(6)			\$	\$
(7)			\$	\$
(8)			\$	\$
(9)			\$	\$
(10)			\$	\$
(11)			\$	\$
(12)			\$	\$
(13)			\$	\$
(14)			\$	\$
(15)			\$	\$
(16)			\$	\$
(17)			\$	\$
(18)			\$	\$
(19)			\$	\$
(20)			\$	\$
(21)			\$	\$
(22)			\$	\$
(23)			\$	\$

**FILING REQUIREMENTS FOR  
COMMERCIAL PASSENGER AND CARGO AIRLINES**

Each year the Kentucky Department of Revenue, Office of Property Valuation, Public Service Branch, must identify and assess, for ad valorem taxation, all commercial passenger and cargo airlines conducting business in the Commonwealth of Kentucky. In order to accomplish this task for the 2007 tax year, the Public Service Branch will require additional information and documents to be filed with your 2007 public service company property tax return.

All returns, reports, schedules and listings shall cover a period of 12 months ending December 31, 2006. Under certain circumstances, the department may allow or require the taxpayer to change the year ending period to conform to a fiscal year basis if it is deemed necessary to complete the January 1, 2007, assessment accurately.

Without exception, all commercial passenger and cargo airline companies shall complete, file and deliver the following supplementary reports, schedules and listings along with a properly completed public service company property tax return on or before April 30, 2007.

**GOVERNMENTAL AND PRIVATE REPORTS**

- (1) A complete copy of your annual report to owner(s) (if not publicly traded).
- (2) A complete copy of your annual report to stockholders (if publicly traded, produced and available).
- (3) A complete copy of your parent/holding company annual report (if produced and available).
- (4) A complete copy of your year end financial statements (balance sheet and income statement) and supporting statements for the entity subject to taxation in Kentucky.
- (5) A complete copy of your 10K report (if publicly traded, produced and available).
- (6) A complete copy of your (Quarterly and Yearly) U.S. Department of Transportation BTS Form 41. Submit a complete copy of all basic schedules (A through P) including the following: Schedule T-1 Schedule T-2 Schedule T-3 Schedule T-9.
- (7) A complete copy of your (Quarterly and Yearly) U.S. Department of Transportation BTS Form 298C. This includes the following schedules.
  - (a) Schedule T-1, Revenue Traffic by On-line Origin and Destination
  - (b) Schedule A-1, Flight and Traffic Statistics in Scheduled Passenger Operations
  - (c) Schedule E-1, Nonscheduled Passenger Enplanements by Small Certified Air Carriers

**COMPANY-GENERATED LISTINGS AND SCHEDULES**

- (A) Provide a complete listing of all **operating** aircraft in your fleet as of December 31, 2006. This listing shall be arranged and organized into three general categories of aircraft—Owned Aircraft, Capital Leased Aircraft and Operating Leased Aircraft. Each category shall list all aircraft separately and include all data elements listed below.
- (B) Provide a complete listing of all **nonoperating** aircraft in your fleet as of December 31, 2006. This listing shall be arranged and organized into three general categories of aircraft—Owned Aircraft, Capital Leased Aircraft and Operating Leased Aircraft. Each category shall list all aircraft separately and include all data elements listed below.
  - (1) Description of the Aircraft—Name, Type, Model, Model Number
  - (2) Manufacturer's Serial Number
  - (3) Year of Manufacturer
  - (4) Date Placed in Service
  - (5) Date Removed from Service
  - (6) Removed (T) Temporary or (P) Permanent
  - (7) Original Cost of Purchase
  - (8) Cost of Modifications and Improvements
  - (9) Accumulated Depreciation
  - (10) Depreciated Cost
  - (11) Total Annual Lease Payment (*if applicable*)
  - (12) Total System Arrivals or Departures (*select one*)
  - (13) Total System Flight Time
  - (14) Total System Ground Time
  - (15) Total System Operated Flight Miles
  - (16) Total System Passengers Enplaned
  - (17) Total System Passengers Deplaned
  - (18) Total System Cargo, Freight, Mail and Express Tons Enplaned
  - (19) Total System Cargo, Freight, Mail and Express Tons Deplaned
  - (20) Total System RTMs (Revenue Ton Miles)
  - (21) Total Kentucky Arrivals or Departures (*select one*)
  - (22) Total Kentucky Flight Time
  - (23) Total Kentucky Ground Time
  - (24) Total Kentucky Operated Flight Miles
  - (25) Total Kentucky Passengers Enplaned
  - (26) Total Kentucky Passengers Deplaned
  - (27) Total Kentucky Cargo, Freight, Mail and Express Tons Enplaned
  - (28) Total Kentucky Cargo, Freight, Mail and Express Tons Deplaned
  - (29) Total Kentucky RTMs (Revenue Ton Miles)
  - (30) Summary Totals for (1) through (29)

## AIRPORTS OF KENTUCKY

The following airports are located within the Commonwealth of Kentucky:

- (SDF)** Louisville International Airport-Standiford Field in Louisville
- (LOU)** Bowman Field in Louisville
- (CVG)** Cincinnati/Northern Kentucky International Airport in Boone County, KY
- (LEX)** Lexington/Bluegrass Airport in Lexington
- (OWB)** Owensboro-Daviess County Regional Airport near Owensboro
- (PAH)** Barkley Regional Airport near Paducah
- (SME)** Somerset-Pulaski County Regional Airport in Somerset
- (BWG)** Bowling Green-Warren County Regional Airport in Bowling Green
- (HOP)** Hopkinsville/Ft. Campbell Airport in Christian County
- (HVC)** Hopkinsville-Christian County Airport in Hopkinsville
- (EHR)** Henderson City-County Airport near the City of Henderson
- (LOZ)** London-Corbin Airport-Magee Field in Laurel and Whitley Counties
- (FFT)** Capital City Airport in the City of Frankfort, Franklin County
- (UXJ)** (I39) Madison County Airport near the City of Richmond
- (PBX)** Pike County-Hatcher Field near Pikeville
- (EKX)** Addington Field in the City of Elizabethtown, Hardin County
- (2I0)** Madisonville Municipal Airport near the City of Madisonville, Hopkins County
- (M25)** Mayfield-Graves County Airport in Mayfield
- (FGX)** Fleming-Mason Airport in Mason County
- (EKQ)** Wayne County Airport in Monticello
- (K20)** Wendell H. Ford Airport near the City of Hazard, Perry County
- (GLW)** Glasgow Municipal Airport in the City of Glasgow, Barren County
- (DWU)** Ashland-Boyd County Airport in Greenup County
- (DQP)** (27K) Georgetown-Scott County Airport-Marshall Field near the City of Georgetown, Scott County
- (1M9)** Lake Barkley State Park Regional Airport near the City of Cadiz, Trigg County
- (M34)** Kentucky Dam State Park Regional Airport near Gilbertsville, Marshall County
- (CEY)** Kyle-Oakley Field in the City of Murray, Calloway County
- (K22)** Big Sandy Regional Airport in the City of Prestonsburg, Floyd County (UXN)
- (IOB)** Mount Sterling-Montgomery County Airport near Mt. Sterling
- (6I2)** Lebanon-Springfield Airport in Washington County
- (AAS)** Taylor County Airport near the City of Campbellsville (WQN)
- (4M7)** Russellville-Logan County Airport
- (BRY)** Samuels Field near the City of Bardstown, Nelson County
- (M21)** Muhlenberg County Regional in the City of Greenville, Muhlenberg County
- (BRG)** Whitesburg Municipal Airport in Letcher County
- (I32)** Rowan County Airport, Morehead
- (1A6)** Bell County Airport, Middlesboro
- (8M9)** Webster County Airport, Providence



## INDUSTRIAL REVENUE BOND PROPERTY



Real and tangible personal property purchased with an industrial revenue bond (IRB) is subject to taxation at a state rate only, **except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing.** This includes all privately held leasehold interests in real or tangible personal property owned and financed by a tax-exempt governmental unit or a tax-exempt statutory authority. Property used to replace retired property and not purchased directly with IRB money should not be included in the property listed.

Enter the following data to provide the information necessary to value the IRB property. If you have property purchased with multiple IRBs, use a separate form for each separate IRB.

Name of Tax-Exempt Entity Issuing Bond \_\_\_\_\_

Recipient of the Property Upon Full Amortization of the Bond \_\_\_\_\_

Face Amount of the Bond        \$ \_\_\_\_\_

Amount of the Bond Spent        \$ \_\_\_\_\_

Date of Bond Issuance            \_\_\_\_\_

Life of the Bond (in years)        \_\_\_\_\_

	Cost	Net Book Value
Cost/Net Book Value of IRB Real Property Assessment.....	\$ _____	\$ _____
Cost/Net Book Value of IRB Tangible Property Assessment .....	\$ _____	\$ _____
Cost/Net Book Value of IRB Manufacturing Machinery .....	\$ _____	\$ _____
Cost/Net Book Value of IRB Pollution Control Equipment .....	\$ _____	\$ _____
Cost and Net Book Value of Other (specify) _____	\$ _____	\$ _____
<b>TOTAL</b> .....	<b>\$</b> _____	<b>\$</b> _____

The valuation of industrial revenue bond (IRB) property contemplates ownership upon full amortization of the bond issue. As such, if the property converts to the private entity upon full amortization, the property is assessed higher as the bonds ages and as the private enterprise assumes a greater leasehold interest. Conversely, if the tax-exempt statutory authority ultimately receives the property, the assessed valuation for taxation purposes begins at 100 percent and is fully amortized over the life of the bond.

**Note:** All real and tangible personal property purchased with an IRB must be listed on Schedules J, K and K2. Be sure to identify and segregate this IRB property from all other non-IRB property by taxing jurisdiction.

**Contact the Public Service Branch at (502) 564-8175 with questions or for additional information and instructions.**

**PUBLIC SERVICE COMPANY SALES**

Kentucky Revised Statutes 136.130 and 136.140 require public service companies to report information to the Department of Revenue when they buy or sell any assets used in a public service company. Complete this form for the sale, purchase or merger referred to in the cover letter and return to **Public Service Branch, Office of Property Valuation, Kentucky Department of Revenue, 200 Fair Oaks Lane, Station 32, Frankfort, KY 40620**. Refer questions to (502) 564-8175.

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Name and Address of Buyer \_\_\_\_\_

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Name and Address of Seller \_\_\_\_\_

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Date of Sale \_\_\_\_\_

**Sale Price** (Attach independent valuations and a copy of the final sales agreement.)

Cash ..... \_\_\_\_\_

Debt Assumed..... \_\_\_\_\_

Stock Transaction:

Share Price ..... \_\_\_\_\_

Number of Shares ..... \_\_\_\_\_

Other (list) \_\_\_\_\_

Total Sale Price..... \_\_\_\_\_

**What portion of the sale is attributable to Kentucky?** \_\_\_\_\_

If not 100 percent, how is the Kentucky portion allocated? \_\_\_\_\_

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**Assets Purchased**

	In Kentucky	Out-of-State
Number of Access Lines .....	_____	_____
Real Estate .....	_____	_____
Nonoperating Property .....	_____	_____
Other Tangible Personal Property .....	_____	_____
Accounts Receivable .....	_____	_____
Goodwill .....	_____	_____
Other _____	_____	_____

Was the sale or merger accounted for as a purchase or a pooling of interests?


Attach a sheet listing the amount and types of property involved in any assumed operating leases.

Attach a sheet describing any new operating agreements with the seller.


I declare under the penalties of perjury that the information given on this form (and any accompanying statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete.


\_\_\_\_\_  
Print Name of Representative

\_\_\_\_\_  
Title of Representative

  
\_\_\_\_\_  
Signature of Representative

\_\_\_\_\_  
Date Signed

 **Mail to:** Public Service Branch  
Office of Property Valuation  
Kentucky Department of Revenue  
200 Fair Oaks Lane, Station 32  
Frankfort, KY 40620

 ( ) \_\_\_\_\_  
Telephone Number