

## NOTICE REGARDING COMMERCIAL WATERCRAFT

**Beginning January 1, 2008, all commercial watercraft (domestic and non-domestic) are now reported centrally on Revenue Form 61A207 Commercial Watercraft Personal Property Tax Return.** Be aware that certain exceptions to the commercial classification have been established in KRS 136.1801(2). Those exceptions include the following vessels:

- *Floating equipment used in the construction such as dredges, pile drivers & flats*
- *Barges & boats permanently moored (tied to a dock or tied to create a dock)*
- *Commercial dining boats / barges*

The first two exceptions are reported locally to the PVA on Revenue Form 62A500 Tangible Personal Property Tax Return and listed in Class VI of Schedule A. Floating commercial dining boats / barges are reported to the PVA as real estate if permanently located with gas, water and sewer lines attached. If not, the vessel would be reported locally to the PVA on Revenue Form 62A500 Tangible Personal Property Tax Return and listed in Class VI of Schedule A. All real property owned and/or leased by a commercial watercraft company, shall be reported locally to the Property Valuation Administrator (PVA) in the county of situs.

As PVA, you must exonerate all commercial watercraft (tugs, towboats, push boats, barges, etc.) from your 2008 tangible personal property tax roll. Please examine your 2008 personal property tax roll and determine if you have any commercial barges and boats listed. **DO NOT EXONERATE** any other personal property reported by the taxpayer. Fax a copy of the exoneration to the Office of Property Valuation, Public Service Section @ 502-564-8192. Also, please notify the taxpayer of the change and the web site where the 61A207 tax return is located: [www.revenue.ky.gov](http://www.revenue.ky.gov). If you have any questions regarding this matter, please call 502-564-8175.

**UPDATE TO MEMO OF 7/22/08, ABOUT BARGES: BARGE COMPANIES SHOULD FILE FORM 61A207 ("REPORT OF OWNED VESSELS IN YOUR POSSESSION") FOR ALL COMMERCIAL WATERCRAFT WITH THE PUBLIC SERVICE BRANCH IN FRANKFORT. AN AMENDED RETURN SHOULD BE FILED IN THE LOCAL PVA OFFICE FOR ANY REMAINING TANGIBLE PROPERTY. ONCE AN AMENDED RETURN HAS BEEN RECEIVED, THE 2008 TAX BILL CAN BE EXONERATED.**