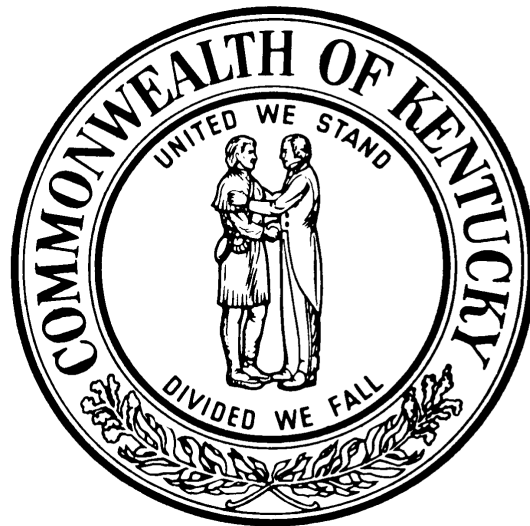


2020

**MUNICIPAL SOLID WASTE
LANDFILL FACILITIES
PROPERTY TAX RETURN**



COMMONWEALTH OF KENTUCKY
OFFICE OF PROPERTY VALUATION

DEPARTMENT OF REVENUE



Forms may be obtained from:

www.revenue.ky.gov (Internet)

Taxpayer Assistance and Mailing Address:

Kentucky Department of Revenue
Office of Property Valuation
Public Service Branch, Station 32, Fourth Floor
501 High Street
Frankfort, KY 40601-2103
(502) 564-8175
(502) 564-8192 (fax)
www.revenue.ky.gov (Internet)

★★★ IMPORTANT MESSAGE TO TAXPAYER ★★★

HB 402, enacted by the 2016 General Assembly, created a new statute that centralizes the assessment, billing, collection and distribution of real and personal property taxes on all municipal solid waste disposal facilities.

House Bill 402 created a new section of KRS Chapter 132 to require the valuation and assessment of real and tangible personal property of a municipal solid waste disposal facility be performed centrally by the Department of Revenue; amend KRS 132.020 and 132.200 to provide that tangible personal property which is incorporated into a landfill facility shall be presumed to remain tangible personal property if the property is used for its intended purposes; amend KRS 136.120 to remove municipal solid waste disposal facilities from the list of public service companies.

PURPOSE:

1. Change the valuation and assessment methodology for municipal solid waste disposal facilities performed by the Department of Revenue from the methodology used for public service companies to the methodology used for other taxpayers under KRS Chapter 132;
2. Classify certain pollution control property incorporated within the solid waste disposal facility as tangible personal property instead of real property; and
3. A new section of KRS Chapter 132 is created to clarify that the Department of Revenue shall have sole power to value and assess the real and tangible personal property of all municipal solid waste disposal facilities, to accomplish the valuation and assessment in the same manner as all other taxpayers under KRS Chapter 132, to promulgate administrative regulations, and to distribute the tax receipts among the taxing districts. KRS 132.020 is amended to clarify that tangible personal property certified as a pollution control facility which is incorporated into a landfill facility shall be presumed to remain as tangible personal property if it is being used for its intended purposes. KRS 132.200 and 136.120 are amended to conform.

KENTUCKY REVISED STATUTE

KRS 132.202

Tax on municipal solid waste disposal facility's real and tangible personal property.

- (1) As used in this section, "municipal solid waste disposal facility" has the same meaning as in KRS 224.1-010.
 - (2)
 - (a) All municipal solid waste disposal facilities shall be assessed by the department as of January 1 each year.
 - (b) The department shall have sole power to value and assess the tangible personal property and real property of all municipal solid waste disposal facilities.
 - (c) The department shall bill and collect all ad valorem taxes on municipal solid waste disposal facilities and shall divide, allocate, and distribute the tax receipts.
 - (3)
 - (a) The authority of the department to assess and tax the property of a municipal solid waste disposal facility shall be limited to taxable real property and tangible personal property.
 - (b) The real and tangible personal property shall be assessed and taxed in the same manner as real and tangible personal property of all other taxpayers under KRS Chapter 132, excluding KRS 132.030.
-

"Municipal solid waste disposal facility" means any type of waste site or facility where the final disposition of any amount of municipal solid waste occurs, whether or not mixed with or including other waste allowed under Subtitle D of the Federal Resource Conservation and Recovery Act of 1976, as amended, and includes, but is not limited to, incinerators and waste-to-energy facilities that burn municipal solid waste, and contained and residential landfills, but does not include a waste site or facility which is operated exclusively by a solid waste generator on property owned by the solid waste generator which accepts only industrial solid waste from the solid waste generator or industrial solid waste generated at another facility owned and operated by the generator or wholly-owned subsidiary, or a medical waste incinerator which is owned, operated, and located on the property of a hospital or university which is regulated by the cabinet and used for the purpose of treatment, prior to landfill, of medical waste received from the generator exclusively or in combination with medical waste generated by professionals or facilities licensed or regulated or operated by the Commonwealth;

KENTUCKY ADMINISTRATIVE REGULATION

103 KAR 8:160. Valuation of municipal solid waste landfill facilities.

RELATES TO: KRS 132.020, 132.200, 224.1-010

STATUTORY AUTHORITY: KRS 131.130, 132.202

NECESSITY, FUNCTION, AND CONFORMITY: KRS 132.202 requires the department to promulgate an administrative regulation to implement a valuation methodology for the taxation of property used as a landfill, also known as a municipal solid waste disposal facility. This administrative regulation establishes a uniform system of ad valorem valuation for a municipal solid waste disposal facility as defined in KRS 224.1-010(15).

Section 1. Definitions. (1) "Compaction ratio" means the ratio that expresses the relationship of the number of tons (2,000 pounds) of waste that will fill one (1) cubic yard of landfill capacity. For example, a compaction ratio of 0.60 means that sixty (60) percent of one (1) ton (1,200 pounds) of waste can be compacted into one cubic yard of landfill capacity.

(2) "Cover materials" means soil or other suitable material that is spread and compacted on the top and side slopes of disposed waste in order to control disease vectors, gases, erosion, fires, and infiltration of precipitation or run-on; support vegetation; provide trafficability; or assure an aesthetic appearance.

(3) "Department" means Department of Revenue, Finance and Administration Cabinet, Commonwealth of Kentucky.

(4) "Discount rate" means a pre-tax percentage rate used to discount the annual royalty income over the projected remaining economic life of the landfill to a present value.

(5) "Effective tipping fee" means the average net dollar amount collected per ton for depositing waste into the landfill being assessed not including surcharges, host fees, and related taxes.

(6) "Landfill" means a municipal solid waste disposal facility as defined by KRS 224.1 010(15) but does not include construction and demolition debris (CDD) landfills of less than one (1) acre.

(7) "Landfill valuation method" means a discounted cash flow, also known as yield capitalization, which is a valuation methodology used to determine the fair cash value of a landfill's real property.

(8) "Other landfill income" means the five (5) year average of income generated by a landfill from sources other than effective tipping fees, net of applicable expenses.

(9) "Present value" means the sum of the discounted projected annual royalty income over the remaining life of the landfill. The present value formula is:

PV = present value of landfill

CF = the annual projected royalty income

Y = the annual pre-tax discount rate

N = the number of annual periods in the projection

(10) "Remaining permitted capacity" means the volume of permitted airspace remaining for the placement of waste materials.

(11) "Reversionary value" means the potential future market value of a landfill after all post-closure regulatory requirements, including a required minimum post-closure monitoring period of at least thirty (30) years, have been fulfilled by the owner or operator.

(12) "Royalty income" means that portion of effective tipping fees and other landfill income that would be paid pursuant to a presumed comparable market lease agreement by the landfill operator to the real property owner in consideration for the right to use the real property for landfill purposes.

(13) "Royalty rate" means a percentage rental rate to real property applied to the sum of the annual effective tipping fee revenue and other landfill income that results in the estimated royalty income for each year of the estimated remaining economic life of the landfill.

(14) "Tax year" means a calendar tax year.

(15) "Ton" means 2,000 pounds.

(16) "Tons of waste" means the five (5) year average of annual tons of waste received by the landfill, as determined utilizing information submitted to the Division of Waste Management for the Kentucky Department for Environmental Protection on Form DEP 7046, as incorporated by reference in 401 KAR 47:110, Section 5(1)(h).

(17) "Waste" means waste as defined by KRS 224.1-010(31)(a).

Section 2. Landfill valuation methodology formula. (1)

The department shall determine the fair cash value of a landfill's real property in compliance with the landfill valuation method established in this subsection.

(a) The department shall estimate the remaining permitted economic life of the landfill by dividing the estimated annual cubic yards of waste deposited into the landfill into the total remaining permitted capacity of the landfill.

1. The compaction ratio shall be calculated by taking the average of the five (5) most recent compaction ratios from the Solid Waste Landfill Annual Survey submitted to the Division of Waste Management for the Kentucky Department for Environmental Protection on Form DEP 8059, available at <http://dep.ky.gov/formslibrary/Documents/DEP8059.doc>. Form DEP 8059 is the form to be submitted by a municipal solid waste landfill permittee in conjunction with the annual survey report required by 401 KAR 47:190, Section 8. When calculating the average, consideration shall be given to factors that alter the five (5) year average as an

appropriate estimate.

2. The remaining permitted capacity shall be as reported on the remaining airspace line item in the most recent Solid Waste Landfill Annual Survey submitted to the Division of Waste Management for the Kentucky Department for Environmental Protection on Form DEP 8059 for the landfill being assessed. The volume shall be adjusted for the capacity consumed from the date of the survey used to prepare the calculation, until the end of the tax year with no annual intake volume growth over the remaining forecasted permitted life of the landfill. Actual tons for the applicable dates shall be converted to permitted cubic yards using the compaction ratio and the result shall be subtracted from the remaining permitted capacity as presented in Form DEP 8059. If cover materials are used at the landfill, the total remaining permitted capacity shall be multiplied by .85 to account for a standard reduction of remaining permitted capacity for cover materials.

3. The estimated annual cubic yards of waste deposited into the landfill shall be equal to the average of the annual cubic yards of waste deposited into the landfill for the five (5) tax years prior to the current tax year. The landfill operator shall report to the department the annual cubic yards of waste deposited into the landfill for the five (5) tax years prior to the current tax year by April 30 of the current tax year. When calculating the average, consideration shall be given to factors that alter the five (5) year average as an appropriate estimate.

4. The remaining economic life of the landfill shall be calculated as follows: remaining permitted capacity (cubic yards) divided by the estimated annual cubic yards of waste deposited equals the remaining permitted economic life of the landfill.

5. The landfill operator shall provide the department with copies of the annual surveys and all quarterly reports filed by the landfill operator with the Division of Waste Management pursuant to 401 KAR 47:190 during the five (5) years on or before April 30 of the current tax year and a copy of its current operating permit.

(b) The effective tipping fee shall be calculated by dividing landfill historical tipping fee revenue (excluding surcharges, host fees, and related taxes) collected for the five (5) most recent tax years by landfill related historical tonnage for the five (5) most recent tax years as demonstrated by the records of the landfill operator.

1. The landfill operator shall provide the department with its calculation of the effective tipping fees for the five (5) tax years prior to the current tax year, together with its annual operating financial statements for each tax year, that shall include tipping fee revenue, expenses for surcharges, host fees and related taxes, and other landfill income.

2. The department shall review the effective tipping fees calculation submitted by the landfill operator and shall estimate the forecasted effective tipping fee for the current tax year. Increases in forecasted effective tipping fees shall be determined by an indexed factor not to exceed the annual Consumer Price Index (CPI),

(Revised 3-17)

as defined by KRS 154.30-010(11), for the year prior to the current tax year.

3. In estimating the annual effective tipping fee, the department shall consider any facts or circumstances that exist that may have an impact on current or future effective tipping fees.

(c) The department shall estimate the other landfill income for the current tax year based upon the records of the landfill operator for the five (5) tax years prior to the current tax year.

1. The landfill operator shall provide the department with its calculation of other landfill income for the five (5) tax years prior to the current tax year, together with its annual operating financial statements provided pursuant to this section.

2. The department shall review the other landfill income submitted by the landfill operator and included in the operating financial statements submitted and shall estimate other landfill income for the current tax year and any annual increase in the other landfill income.

3. In estimating other landfill income, the department shall consider all relevant facts or circumstances that exist that may have an impact on current or future other landfill income.

(d) If the landfill does not have five (5) years of operating data, due to its date of first operation being less than five (5) years prior to the current tax year, the department shall determine the landfill's compaction ratio, consumed landfill capacity, estimated annual cubic yards of waste deposited, effective tipping fees, and other landfill income as a rolling average of the number of years for which operating data exists for the landfill.

(e) The department shall estimate an annual royalty income for each year of the landfill's remaining economic life by the following calculation:

$$(((\text{effective tipping fee} \times \text{tons of waste}) + \text{other landfill income}) \times \text{royalty rate}) - \text{general administrative expenses} = \text{royalty income.}$$

(f) The department shall determine the present value of the royalty income of the landfill for all remaining years of its remaining permitted economic life by applying the discount rate to each year's royalty income as determined pursuant to paragraph (e) of this subsection.

(g) The discount rate shall be twenty (20) percent unless the landfill operator or the department establishes a higher or lower discount rate based upon applicable market factors and the applicable facts and circumstances attributable to the landfill.

(h) The present value of the royalty income for all remaining years of the landfill's remaining economic life shall be the landfill real property valuation to be used as a tax basis.

(i) The royalty rate shall be fifteen (15) percent unless the landfill operator or the department establishes a higher or lower royalty rate based upon applicable market factors and the applicable facts and circumstances attributable to the landfill.

Printing costs paid from state funds.

(j) The department shall estimate a reversionary value, if any, as of the date that all post closure regulatory monitoring requirements of federal, state, or local governments are completed. The reversionary value shall be discounted to its present worth as of January 1 of the current tax year and the resulting value shall be added to the sum of all year's present values as calculated pursuant to paragraph (f) of this subsection.

(2) The fair cash value of any other real property, including improvements, not already included in the valuation of the landfill through the landfill valuation method shall be assessed by the department in the same manner as real property of all other taxpayers under KRS Chapter 132.

(a) State and local real property taxes shall be applied to the assessed value of the other real property and shall be added to the taxes assessed on the real property value determined by the landfill valuation method.

(b) The landfill operator shall provide the department with a summary statement of the total acreage of land owned by the landfill company, the total acreage of the

permitted landfill area, and the total acreage of the active contained landfill.

(3) Any information required to be supplied by the landfill owner or operator in connection with this administrative regulation shall be held in strict confidence by the department unless otherwise required by law.

(4) The allocation of value of tangible personal property incorporated into a landfill and certified as pollution control pursuant to KRS 132.020(1)(k) shall be determined by taking the present value of landfill royalty income, as determined in subsection (1) of this section and subtracting out the value attributable to undeveloped land and the value attributable to real property structures (i.e., demonstrative and nonexclusive examples of which include maintenance buildings, perimeter fencing, etc.) not certified as pollution control. The remaining value shall constitute the value allocation attributable to certified pollution control tangible personal property incorporated into the landfill. (43 Ky.R. 360, 563; eff. 12-2-2016.)

**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, age, religion, disability, sexual orientation, gender identity, veteran status, genetic information or ancestry in employment or the provision of services.

**GENERAL INSTRUCTIONS FOR FILING
MUNICIPAL SOLID WASTE LANDFILL
REAL AND PERSONAL PROPERTY TAX RETURNS**

INTRODUCTION

This tax return has been designed for municipal solid waste landfill facilities who are required by KRS 132.202 to file a Kentucky real and personal property tax return. It contains the necessary returns, schedules and instructions for this purpose.

WHO MUST FILE (KRS 132.202(2))

In accordance with state law, the Department of Revenue has the authority to assess all municipal solid waste landfill facilities in the Commonwealth.

ASSESSMENT DATE (KRS 132.202(2))

The assessment date for all real and tangible personal property in the Commonwealth of Kentucky is January 1.

WHAT IS ASSESSED (KRS 132.202(3))

The Department shall have the sole power to value and assess all of the municipal solid waste landfill facilities real and tangible personal property.

On or after July 15, 2016, and each year thereafter, each corporation operating a municipal solid waste disposal facility within this state during the previous calendar year shall file on forms prescribed by the department, a detailed description of all property it operated as of January 1 of the current year.

WHEN TO FILE

Taxpayers must file on or before April 30. If April 30 falls on a weekend, the return is due the first business day following April 30.

FILING EXTENSIONS

There is no statutory provision for filing extensions for the municipal solid waste landfill real and personal property tax return.

WHERE TO FILE

All tax returns must be mailed to the following address:
Kentucky Department of Revenue
Office of Property Valuation
Public Service Branch, Station 32, 4th Floor
501 High Street
Frankfort, KY 40601-2103

GENERAL FILING REQUIREMENTS

To properly report, note the following:

- The return and all supporting schedules must be included when filing the tax return, if not, the return will not be accepted. Failure to properly complete all schedules when filing this return will result in the return being considered not to have been filed and subject to penalties and interest.
- The taxpayer must complete the return and all supporting schedules based on the Department of Revenue's design. All required data fields must be completed or the return will be considered not to have been filed and subject to penalties and interest.
- Sign and date your return. Also enter the appropriate telephone numbers!

PENALTIES—LATE FILING, OMITTED FILING AND NONCOMPLIANCE (KRS 132.290(4), KRS 134.015, KRS 134.390)

Any taxpayer failing to timely complete, file and deliver the required tax return and accompanying schedules on or before April 30 of each year, shall pay a minimum penalty of 10 percent of the total taxes due. If any taxpayer fails to report as required, 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. The penalty for such failure to file is 20 percent of the total taxes due.

NOTIFICATION OF THE ASSESSMENT (KRS 134.015 and KRS 132.202)

Each year the Department of Revenue, Office of Property Valuation, shall determine the assessed value of the real and tangible personal property and notify the owner by mail of the assessment amount. The notice of assessment shall be issued on or prior to the issuance of the notice of tax due. The notice of tax due shall include all state, county, school, city and other special taxes. The notice of assessment and the notice of tax due shall be final, due and payable 60 days from the notice date of the notice of tax due.

WHERE TO SEND YOUR PROTEST

All protests must be mailed to the following address:

**Finance and Administration Cabinet
Department of Revenue
Office of Property Valuation
Public Service Branch, Station 32, 4th Floor
501 High Street
Frankfort KY 40601-2103**

PROTESTING YOUR ASSESSMENT

(KRS 131.110, KRS 132.486, KRS 134.590 and 103 KAR 1:010)

The Department of Revenue 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 Department of Revenue, within 60 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 Department of Revenue 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, (KRS 132.486) 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 134.015 shall apply to the tax bill.

Any nonprotested portion (your claimed value) of the assessment becomes final at the end of the 60-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 and (2) the state tax must be calculated on the classified claimed value.

After a timely protest has been filed, the taxpayer **may** request a conference with the Office of Processing & Enforcement, Division of Protest Resolution.

The Division of Protest Resolution is responsible for resolving tax controversies (protests) on a fair and equitable basis.

Finance and Administration Cabinet
Department of Revenue
Office of the Commissioner
Division of Protest Resolution
Station 7, 10th Floor
P O Box 3
Frankfort KY 40602-0003

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 Claims Commission (KCC).

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 KCC.

KENTUCKY CLAIMS COMMISSION (KCC) (KRS 131.340—KRS 131.370, KRS 136.050, 103 KAR 1:010, 802 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 KCC 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 or appellant's position regarding the law, facts or both; and must contain the petitioner's position regarding the protest and include a copy of the final ruling with each copy of the petition of appeal. The petition of appeal must be in writing and signed by the petitioner or appellant. Filings by facsimile or other electronic means shall not be accepted. 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 Office of Property Valuation.

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 KCC 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 KCC 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 132.202, KRS 134.015 and KRS 131.110)

All taxes assessed against any taxpayer under the provisions of KRS 134.015 and KRS 132.202 shall be due and payable, unless protested, in the following manner.

30 Days from Notice Date—Early Pay Discount 2%
31st Day to 60th Day—Pay Face Amount
61st Day to 90th Day—5% Penalty
After 91st Day—10% Penalty

All taxes are payable to the “Kentucky State Treasurer”.

All state, county, school, city and other special taxes shall be billed, collected and distributed by the Department of Revenue. Do not send payments with your return.

AMENDED RETURN REQUIREMENTS

Taxpayers who discover an error was made on their personal property tax returns can file an amended return along with explanation of why the return is being amended and documentation to support the amended return. Form 61A800 needs to be completed with “AMENDED” written at the top of the form.

Amended returns resulting in a possible refund should be filed within 2 years from the date of payment in accordance with KRS 134.590 and should be accompanied by a refund request and/or application.

Refund requests should be accompanied by clear and concise documentation to support any changes from the original return filed. Documentation can include but not limited to fixed asset listings/depreciation schedules and/or inventory records.

KRS 134.590(2) No state government agency shall authorize a refund unless each taxpayer individually applies for a refund within two (2) years from the date the taxpayer paid the tax. Each claim or application for refund shall be in writing and state the specific grounds upon which it is based.

**COUNTY PVA TELEPHONE NUMBERS AND ADDRESSES
(For Counties with Solid Waste Landfills)**

County Code	County	Phone Number	Address	City	ZIP Code
008	Boone	(859) 334-2181	P.O. Box 388	Burlington	41005
010	Boyd	(606) 739-5173	P.O. Box 434	Catlettsburg	41129
033	Estill	(606) 723-4569	Courthouse, 130 Main Street	Irvine	40336
037	Franklin	(502) 875-8780	313 W. Main Street, Courthouse Annex, Room 209	Frankfort	40601
041	Grant	(859) 824-6511	Courthouse, 101 North Main St., Room 15	Williamstown	41097
042	Graves	(270) 247-3301	101 E. South Street, Courthouse Annex, Suite 5	Mayfield	42066
045	Greenup	(606) 473-9984	Courthouse, Room 209, 301 Main St., Box 4	Greenup	41144
047	Hardin	(270) 765-2129	P.O. Box 70	Elizabethtown	42702
052	Henry	(502) 845-5740	P.O. Box 11	New Castle	40050
054	Hopkins	(270) 821-3092	25 E Center Street	Madisonville	42431-2077
056	Jefferson	(502) 574-6380	Glassworks Building, 815 West Market St., Ste. 400	Louisville	40202-2654
063	Laurel	(606) 864-2889	Courthouse, Room 127, 101 South Main Street	London	40741
069	Lincoln	(606) 365-4550	201 East Main Street, Suite 2	Stanford	40484
071	Logan	(270) 726-8334	P.O. Box 307	Russellville	42276
079	Marshall	(270) 527-4728	1101 Main Street	Benton	42025
087	Montgomery	(859) 498-8710	44 W. Main Street, Courthouse Annex, Suite E	Mt. Sterling	40353
092	Ohio	(270) 298-4433	P.O. Box 187	Hartford	42347
096	Pendleton	(859) 654-6055	233 Main Street, Courthouse Room 2	Falmouth	41040
103	Rowan	(606) 784-5512	Courthouse, 600 W. Main	Morehead	40351
105	Scott	(502) 863-7885	101 East Main Street, Courthouse, Ste. 206	Georgetown	40324
112	Trimble	(502) 255-3592	P.O. Box 131	Bedford	40006
113	Union	(270) 389-1933	P.O. Box 177	Morganfield	42437

2020
REAL PROPERTY
AND IMPROVEMENTS
FORMS AND INSTRUCTIONS

Required Reports, Schedules and Documents

Document Enclosed

- Yes** The landfill owner/operator shall provide the department with a detailed organizational chart. This chart must indicate all affiliated organizations and their Federal identification numbers.

- Yes** The landfill owner/operator shall provide the department with detailed financial statements for year ending December 31. The balance sheet and income statement shall include all second and third level sub-accounts. All accounts must be clearly identified and understood.

- Yes** The landfill owner/operator shall provide the department a copy of its fixed asset ledger as of December 31. The fixed asset ledger is to be submitted in an Excel electronic format. The ledger must contain all assets owned, the asset type, class and number, a description of the asset, the acquisition date, disposal date, original cost, depreciation, and depreciated cost. **Also, you must identify on this ledger, for each asset, which Kentucky Tangible Personal Property schedule (A, B, or D), class group (I through VI), and age group was selected.**

- Yes** The landfill owner/operator shall provide the department with a detailed report regarding any intercompany dumping conducted at the landfill site. If any intercompany discounting occurs or no charges are provided to internal affiliates, you are required to submit a five (5) year history of this activity, the discounted waste intake and associated revenue, the rate of discounting per ton and cu yards, and the expected 'markup'.

- Yes** The landfill owner/operator shall provide the department with a detailed report of "other landfill income" generated by the landfill from sources other than effective tipping fees. This report shall provide a five (5) year history prior to the current tax year.

- Yes** The landfill owner/operator shall provide the department with the following schedules as of year ending December 31.

61A800(P) Municipal Solid Waste Landfill Facilities Property Tax Return

61A800-R, Schedule 1—Report of Acres Owned and Leased
61A800-R, Schedule 2—Operational Data for Municipal Solid Waste Landfill Facilities
61A800-R, Schedule 3—Report of Real Property Improvements
61A800-T—Tangible Personal Property Tax Return for Municipal Solid Waste Disposal Facility
61A800-T, Schedule A, Schedule B, Schedule C, and Schedule D
61A800-L, Lessee Tangible Personal Property Tax Return

SCHEDULE 1**REPORT OF ACRES OWNED & LEASED
For Municipal Solid Waste Landfill Facilities**

As of January 1, 20____

Taxpayer Name:

Report the total number of acres, owned and leased, at this Kentucky landfill site. The total will include all acres devoted for landfilling, acres closed and covered, acres held for future use, acres held for buffering, and acres held for agricultural use.

Note: The taxpayer is required to provide verification of the total acreage of land owned and leased. The taxpayer shall contact the County Property Valuation Administrator (PVA) in which the landfill is situated to obtain a PVA generated map of the entire landfill area. The map shall include the PVA identification numbers of each parcel and the total acreage for each parcel. This map shall be submitted with this tax return. The map shall provide all parcels surrounding the landfill site if owned and/or leased.

TOTAL KENTUCKY ACRES OF LAND Owned**TOTAL KENTUCKY ACRES OF LAND Under and Operating Lease****TOTAL**

Report the total number of acres permitted and non-permitted at this Kentucky landfill site. The total will include all acres devoted for landfilling, acres closed and covered, acres held for future use, acres held for buffering, and acres held for agricultural use.

TOTAL NUMBER OF ACRES — PERMITTED**TOTAL NUMBER OF ACRES — NOT PERMITTED****TOTAL****TOTAL NUMBER OF ACRES — PERMITTED Disposal Area
Per Division of Waste****TOTAL NUMBER OF ACRES — Current Active Landfill Area****TOTAL NUMBER OF ACRES — Closed and Covered****TOTAL NUMBER OF ACRES — Held for Future Landfilling Use****TOTAL NUMBER OF ACRES — Held for Non-Landfilling Purposes
Including Buffer****TOTAL**

SCHEDULE 2
OPERATIONAL DATA
For Municipal Solid Waste Landfill Facilities

As of January 1, 20____

Taxpayer Name: _____

CALENDAR YEAR	SOLID WASTE INTAKE * <i>Tons</i>
2019	
2018	
2017	
2016	
2015	

CALENDAR YEAR	SOLID WASTE INTAKE * <i>Cubic Yards</i>
2019	
2018	
2017	
2016	
2015	

CALENDAR YEAR	COMPACTION RATIO
2019	
2018	
2017	
2016	
2015	

* "Solid waste" means any garbage, refuse, sludge, and other discarded material, including solid, liquid, semi-solid, or contained gaseous material resulting from industrial, commercial, mining (excluding coal mining wastes, coal mining by-products, refuse, and overburden), agricultural operations, and from community activities. **KRS 224.1-010(31)(a)**

CALENDAR YEAR	TIPPING FEE INCOME <i>EFFECTIVE **</i>
2019	
2018	
2017	
2016	
2015	

CALENDAR YEAR	OTHER INCOME
2019	
2018	
2017	
2016	
2015	

CALENDAR YEAR	HOST FEES
2019	
2018	
2017	
2016	
2015	

** The effective tipping fee revenue excludes surcharges, host fees and related taxes. The landfill operator shall provide the calculation of the effective tipping fees.

ECONOMIC LIFE OF THE LANDFILL

TOTAL REMAINING PERMITTED AIRSPACE CAPACITY ***	<input type="text"/>	TONS	<input type="text"/>	CUBIC YARDS
EXPANSION FUTURE USE / UNPERMITTED REMAINING AIRSPACE	<input type="text"/>	TONS	<input type="text"/>	CUBIC YARDS
TOTAL LANDFILL CAPACITY =	<input type="text"/>	TONS	<input type="text"/>	CUBIC YARDS

*** The remaining permitted airspace capacity shall be as reported on the remaining airspace line item in the most recent Solid Waste Landfill Annual Survey submitted to the Division of Waste Management on the Kentucky Department for Environmental Protection (Form DEP8059).

SCHEDULE 3

REPORT OF REAL PROPERTY IMPROVEMENTS

As of January 1, 20____

Name of Taxpayer:	County Location:
--------------------------	-------------------------

REAL PROPERTY IMPROVEMENTS	TAXPAYER ORIGINAL COST	TAXPAYER COST OF IMPROVEMENTS	TAXPAYER DEPRECIATED COST	TAXPAYER MARKET VALUE
Office/Administration Building				
Gate House and Metal Gate				
Entrance Sign(s)				
Service Building(s)				
Workshop(s)				
Vehicle Wash Building				
Material Recovery Center				
Fueling Facility Structures				
Maintenance Yard and Building				
Recycling Facility				
Above Ground Storage Tank(s) Fuel				
Perimeter Fencing				
Brick & Concrete Walls				
Access Roadways & Asphalt (Roadways)				
Asphalt Paving (NonRoadways)				
Warehouse				
Sheds				
Garage Building				
Barn				
Pole Barn				
Farm House				
Residential Home				
Loading Ramps				
Other improvements not listed above				

Instructions:

The original cost, the cost of improvement, and the net book (depreciated) value of all owned and leased real improvements must be entered on this schedule. The taxpayer shall also provide the current market value of the improvements. Do not group or commingle the property improvements.

Taxpayer shall include real improvements that have been fully depreciated, if the property improvement still exists. Remember: the depreciated cost values do not always reflect fair market value. It generally is unacceptable to use the depreciated cost values as the Jan. 1 market value.

103 KAR 8:160 (section 2) The fair cash value of any other real property, including improvements, not already included in the valuation of the landfill through the valuation method shall be assessed by the department in the same manner as real property of all other taxpayers under KRS Chapter 132.

2020
PERSONAL PROPERTY TAX
FORMS AND INSTRUCTIONS

INSTRUCTIONS

TANGIBLE PROPERTY TAX RETURN

General Instructions

The tangible personal property tax return includes instructions to assist taxpayers in preparing Revenue Form 61A800(T). These instructions do not supersede the Kentucky Constitution or applicable Kentucky Revised Statutes.

Taxpayer—All individuals and business entities who own, lease or have a beneficial interest in taxable tangible property located within Kentucky on January 1 **must** file a tangible property tax return.

Assessment Date—The assessment date for all tangible personal property is January 1.

Situs of Tangible Property—The taxable situs of tangible personal property in Kentucky is in the county where the property is physically located on January 1.

Filing Requirements—To properly report, note the following:

- Kentucky does not allow consolidated and joint returns.
- File a tangible property tax return for **each property location** within Kentucky.
- The return **must include** the property location by street address and county. A post office box is not acceptable as the property address.
- File the return between January 1 and April 30. If April 30 falls on a weekend, the return is due the first business day following April 30. Use the appropriate year form for the assessment date.
- **THERE IS NO FILING EXTENSION FOR THIS RETURN.**

Classification of Property—Real property includes all lands within this state and improvements thereon. Tangible personal property is every physical item subject to ownership, except real and intangible property.

Depreciable Assets—List assets on the appropriate schedule(s) at original cost. Apply appropriate factor(s) to obtain reported value. Do not use book depreciation for computing the fair cash value of depreciable assets. For tangible property tax purposes, assets are never fully depreciated and must be reported. Assets expensed with a useful life of greater than a year should also be reported on 61A800(T).

Inventories—List inventories at fair cash value using full absorption first-in-first-out (FIFO) costing. Such costs include freight, labor, taxes and duties. LIFO deductions are not allowable.

Pollution Control Facility—Tangible personal property of a qualifying pollution control facility is subject to a state rate only. A taxpayer must have an approved pollution control exemption certificate issued by the Kentucky Department of Revenue,

Division of State Valuation, using Form 61A216. This must be approved by the January 1st assessment date. List qualifying property on Form 61A800(T), Schedule B.

Rebuilds or Capitalized Repairs—Cost figures for rebuilt equipment must be segregated according to “original” and “rebuild” costs and listed under two economic life classes on the tangible personal property tax return. The original cost of all assets is included in the year of acquisition in the appropriate class life. Any rebuild(s) capitalized for book or tax purposes are to be entered in the appropriate class life for the expected life of the rebuild. If a second rebuild occurs, the second rebuild is again included in age 1 of the appropriate class for the expected life of that rebuild. The first rebuild is then deleted from the original cost column and dropped from the valuation process.

Exceptions to the Fair Cash Value Computation

Taxable property inoperable and held for disposal as of the assessment date may be valued separately. List this property on Schedule C and include an affidavit explaining the circumstances and the basis for valuation. Such property is valued as follows:

- if component parts have been removed and the remainder is useless to the business, report the actual scrap or salvage value; or
- if a visual inspection confirms that useful life has not ended, the true value is the greater of its depreciated book value or the actual salvage value; or
- property sold on or before the due date of the return through a proven arm’s length transaction, is reported at the selling price.

Temporary idleness is not sufficient cause for separate valuation. This includes idleness attributed to seasonal operation or from repair or overhaul of equipment. Idled equipment no longer actually engaged in manufacturing is deemed to be Schedule A property and subject to full local rates.

Listing and Valuing Tangible Personal Property

List depreciable property on Schedules A, B or D, based on its economic life. To assist taxpayers in determining proper economic life classification, see the 2020 Personal property Classification Guidelines for Solid Waste Landfills found in this tax return packet.

NOTE: ALL TAXPAYERS MUST SUBMIT A FIXED ASSET LISTING IN EXCEL FORMAT WITH THIS RETURN.

The asset listing should include the following: original cost, acquisition date, description of asset, account classification, department or cost center, and any other applicable asset identifiers.

Fair Cash Value Computation

The fair cash value computation begins with cost. Cost must include inbound freight, mill-wrighting, overhead, investment tax credits, assembly and installation labor, material and expenses, and sales and use taxes. Premium pay and payroll taxes are included in labor costs. Costs are not reduced by trade-in allowances. Capitalize costs of major overhauls in the year in which they occur.

Cost should be net of additions, disposals and transfers occurring during the year. Multiply aggregate cost by the applicable conversion factor to determine reported value. The column totals represent the total original cost and total reported value of each class of property. Original cost totals must generally reconcile with the book cost. **NOTE: Property written off the records, but still physically on hand, must be included in the computation.**

Schedule A property includes, but is not limited to:

- computers and related equipment;
- business furniture and fixtures;
- professional tools and equipment;
- testing equipment;
- weight scales;
- containers; and
- signs;

Schedule B property includes:

- qualified pollution control facility equipment;

DO NOT include tangible personal property certified as a “pollution control facility” which is incorporated (buried) into the landfill facility such as liners and leachate systems.

Schedule C property includes, but is not limited to:

- materials and supplies;
- office supplies;
- fuel inventory;
- parts inventory;
- recycled items held for sale;
- property held for sale and/or disposal; and
- inoperable equipment.

Materials, supplies and spare parts, normally expensed, must be segregated and valued separately.

List all such property at original cost.

Supply items are valued at original cost in the amount on hand

at year-end. Returnable containers, such as barrels, bottles, carboys, coops, cylinders, drums, reels, etc., are valued separately at original cost. **In absence of year end totals, use the yearly expense accounts total divided by 12.**

Schedule D property includes:

- All equipment and machinery used to collect, source, separate, compress, bale, shred or otherwise handle waste materials if the machinery or equipment is primarily used for recycling purposes (See KRS 132.200(15) and KRS 139.010).

Schedules A, B, and D list six economic life classes. **Property is classified by the expected economic life, not the depreciable life used for accelerated income tax purposes.**

The age of property, whether purchased new or used, is determined as follows: property purchased in the year prior to the assessment date is age 1; purchases made 2 years prior are age 2; etc. Assets listed into Classes I, II and III, whose ages exceed the maximum age for each class (13 years), should be aggregated on “Age 13+” of the original cost column. Assets listed into Classes IV and V whose ages exceed the maximum age for each class (27 years) should be aggregated on “Age 27+” of the original cost column. As long as an asset is in use, it is valued using the appropriate factor as determined by its class and age. For Class VI assets whose age is greater than 27 years contact the Division of State Valuation for the appropriate factor.

Multiply the original cost by the conversion factor to arrive at the reported value. Add original costs for each class to determine the total original cost by class. Add reported values for each class to determine the total reported value by class. The column totals for original cost and reported value for each class of property are listed in the space provided for Schedule A, B and D property on Form 61A800(T), page 1.

All fully depreciated assets must continue to be reported, as long as they are on hand, in the manner described above.

Lessors and Lessees of Tangible Personal Property—

Leased property must be listed by the owner on Revenue Form 62A500, regardless of the lease agreement’s terms regarding tax liability. Classify leased assets based upon their economic life. Leases which transfer all of the benefits and risks inherent in the ownership of the property such as a capital lease should be reported by the lessee. A rental agreement which may be for any term and may be cancelable or non-cancelable for a fixed period of time and there is no transfer of ownership such as an operating lease should be reported by the lessor. The tax return must contain the name of the lessee and location of the property.

A separate return is required for each property location within Kentucky. The lessee must file Revenue Form 61A800-L.

Property leased to a municipal solid waste landfill operator under an operating lease must be reported on Form 62A500 by the lessor.

Revenue Form 61A800-L

All persons and business entities who lease tangible personal property from others (e.g., lessees) are required to file the Lessee Tangible Personal Property Tax Return, Revenue Form 61A800-L. A separate return for each property location is required. File the return as an attachment to Revenue Form 61A800(P).

Provide all information requested. List the name and address of the lessor and the related equipment information, including the type of equipment, year of manufacture, model, selling price new, gross annual rent, date of the lease, length of the lease and purchase price at the end of the lease. Attach a separate schedule if necessary.

*** * * * * R E M I N D E R * * * * ***

If your organization and/or any affiliate entity that owns, leases or has a beneficial interest in taxable tangible personal property located within the Commonwealth of Kentucky on January 1, shall file a tangible personal property tax return (62A500) for each property location. This will apply to all CDD landfills, recycling centers, hauling companies, transfer stations, and any other facilities operating within the Commonwealth of Kentucky.

In addition to the tangible personal property tax return, your organization is required to annually report, to the county Property Valuation Administrator (PVA), all taxable real property and improvements situated in each Kentucky county. All real property is subject to ad valorem taxation at the local level.

**2020 PERSONAL PROPERTY CLASSIFICATION GUIDELINES
FOR SOLID WASTE LANDFILLS**

CLASS LIFE	TYPE PROPERTY AND DESCRIPTION
I I I	GENERIC PERSONAL COMPUTERS— Printers, Mini-Computers, Micro-Processors, Associated Peripherals CELLULARTELEPHONES, PAGERS, TABLETS, SMART PHONES, DIGITAL CAMERAS SAFETY CLOTHING
II	OFFICE DATA HANDLING EQUIPMENT— Calculators, FAX Machines, Duplicating Equipment, Photocopy Machines
III III III III III III III III III III III III III III III III III III III	COMMUNICATION SYSTEM— Telex, Two-Way Radio, Telephone Systems, Voice Mail, VoIP OFFICE FURNITURE & FIXTURES— Desks, File Cabinets, Chairs, Tables SECURITY SYSTEMS & COMPONENTS and FIRE SUPPRESSION SYSTEMS SERVICE /TEST / REPAIR EQUIPMENT STORE, WAREHOUSE, SHOP TOOLS, and OTHER SPECIAL TOOLS TRENCHERS, BORING MACHINES, DITCH DIGGERS, BACKHOES, and FORK LIFTS EMERGENCY POWER GENERATORS, PORTABLE GENERATORS WASTE & TRASH CONTAINERS GAS EXTRACTION PUMPS (Blowers) WARNING SYSTEM EQUIPMENT MONITORING EQUIPMENT & METERS ELECTRIC GENERATORS & EQUIPMENT SENSORS GASTO ENERGY SYSTEMS FLARE STATION EQUIPMENT and PASSIVE FLARE SYSTEM EQUIPMENT SIGNS (Exterior) WEIGHT SCALES AIR COMPRESSORS
IV IV IV IV IV IV IV	DOZERS, TRACTORS, OFFROAD TRUCKS, and LOADERS CRAWLER, WATER TRUCK, DUMP TRUCKS, DRAGLINES SCRAPERS, STEEL WHEEL COMPACTOR, ROAD GRADER HANDLERS, TRACK & TIRED LOADERS EXCAVATORS, BACKHOE LOADERS ARTICULATED TRUCKS, SWEEPERS, SKIDSTEER COMPACT EXCAVATORS
V V V V V	COMPACTORS SCRAP CHOOPERS, BALERS, CRUSHERS, DENSIFIERS, SHREDDERS HEAVY RACKS & SHELVING, STORAGE RACKS CRANES and HOISTS SAFES and SECURITY VAULTS
VI VI VI	PROPANE TANKS and ABOVE GROUND TANKS PREFABRICATED & PORTABLE STRUCTURES FUEL TANKS
<p>All depreciable property must be reported on Schedule A unless the property is classified as Recycling Equipment (Schedule D) or Pollution Control Equipment (Schedule B).</p>	

**2020
 TANGIBLE PERSONAL
 PROPERTY TAX RETURN FOR
 MUNICIPAL SOLID WASTE
 DISPOSAL FACILITY**

Property Assessed January 1, 2020

**Due Date:
 Thursday
 April 30, 2020**

GNC #:	
Taxpayer Name:	
County	
Property Location:	

NOTE: Taxpayers who have property in more than one location must complete a separate form for each location.

FROM SCHEDULE A				FROM SCHEDULE B			
Class	Original Cost	Reported Value	For Official Use Only	Class	Original Cost	Reported Value	For Official Use Only
I				I			
II				II			
III				III			
IV				IV			
V				V			
VI				VI			
Total				Total			

FROM SCHEDULE C

Other Tangible Personalty Not Listed Elsewhere		
Subject to 45¢ State Rate and Full Local Rates	Taxpayer's Book Cost Value	For Official Use Only
Materials and Supplies.....		
Office Supplies.....		
Inventory Held for Use - Fuel, Metal Wheels, Tires, Blades, Scrappers, Buckets.		
Inoperable Equipment.....		
Total		
Subject to 5¢ State Rate and Full Local Rates		
Inventory and Equipment Held for Sale.....		
Property Held for Sale and/or Disposal.....		
Recycled Items held for Sale.....		
Total		

FROM SCHEDULE D

Recycling Machinery and Equipment Subject to 45¢ State Rate Only			
Class	Original Cost	Reported Value	For Official Use Only
I			
II			
III			
IV			
V			
VI			
Total			

SCHEDULE C
2020 Tangible Personal Property Subject to Full State and Local Rates

Other Tangible Personalty Not Listed Elsewhere		
Subject to 45¢ State Rate and Full Local Rates	Taxpayer's Book Cost Value	For Official Use Only
Materials and Supplies.....		
Office Supplies.....		
Inventory Held for Use - Fuel, Metal Wheels, Tires, Blades, Scrappers, Buckets .		
Inoperable Equipment.....		
Total		
Subject to 5¢ State Rate and Full Local Rates		
Inventory and Equipment Held for Sale.....		
Property Held for Sale and/or Disposal.....		
Recycled Items held for Sale.....		
Total		

**LESSEE TANGIBLE PERSONAL
 PROPERTY TAX RETURN**

(For Informational Purposes Only)

Property Assessed January 1, 2020



Check applicable box and write in <input type="checkbox"/> Federal ID No. or <input type="checkbox"/> Social Security No.	Name of Business	
	Name of Lessee	Telephone Number ()
2nd SSN if joint return	Mailing Address	
Property is located in County	City or Town	State ZIP Code
	Property Location (Number and Street or Rural Route, City)(Must List) REQUIRED	

Any person or business entity leasing tangible personal property from others on January 1 is required to file this return. **DO NOT** complete this form if you have included the leased property on your Form 61A800(T). Attach additional schedules if necessary.

Note: Lessees who have property in more than one location must complete a separate form for each location.

Lessor Information	Leased Equipment Information
Name _____ Mailing Address _____ City, State ZIP Code _____	Type of Equipment _____ Year _____ Model _____ Selling Price New \$ _____ Annual Rent \$ _____ Date of Lease _____ Length of Lease _____ Buy-out Price at the end of Lease \$ _____
For Official Use Only	
Name _____ Mailing Address _____ City, State ZIP Code _____	Type of Equipment _____ Year _____ Model _____ Selling Price New \$ _____ Annual Rent \$ _____ Date of Lease _____ Length of Lease _____ Buy-out Price at the end of Lease \$ _____
For Official Use Only	
Name _____ Mailing Address _____ City, State ZIP Code _____	Type of Equipment _____ Year _____ Model _____ Selling Price New \$ _____ Annual Rent \$ _____ Date of Lease _____ Length of Lease _____ Buy-out Price at the end of Lease \$ _____
For Official Use Only	

I declare, under the penalties of perjury, that this return (including any accompanying schedules and statements) is a correct and complete return; and that all property not owned by me but in my possession has been listed.

_____ Signature of Lessee	_____ Date	_____ Name of Preparer Other Than Lessee	_____ Date
 _____ Telephone Number	_____ Email Address of Lessee	 _____ Telephone Number	_____ Email Address of Preparer Other Than Lessee

