

## Instructions for Market Value Report

### Who must file?

Every electric light, power, gas, water, transportation, and pipeline company doing business in Minnesota must file a Market Value Report and certification form each year.

### When is it due?

The report and certification are due by March 31. We may grant a 15-day filing extension for good cause. (Email your request for an extension to [sa.property@state.mn.us](mailto:sa.property@state.mn.us).)

For more information about how to request an extension, visit our webpage at <http://www.revenue.state.mn.us/businesses/utility/Pages/Extensions.aspx>

### Where can I get a copy of the report and certification?

The Market Value Report is posted on our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us). (Click Businesses > Taxes & Fees > Property Tax > Utility Property Tax > Market Value Report and Market Value Report Instructions.)

### How do I submit the report and certification?

You must complete, sign, scan, and email the certification back to our office with your report each year.

Complete the Market Value Report and email a copy of the report to [sa.property@state.mn.us](mailto:sa.property@state.mn.us).

You must include all supporting documentation as soon as it is available.

### What Supporting Documentation is Required?

You must submit the following information with your Market Value Report:

- Regulatory forms filed for the previous calendar year-end:
  - Federal Energy Regulatory Commission (FERC) Form
  - U.S. Department of Agriculture-Rural Utilities Service Annual Operating Report
  - Jurisdictional Annual Report to Minnesota Public Utilities Commission (PUC) or Minnesota Department of Commerce
  - The company's or parent company's Securities & Exchange Commission Form 10-K

- The company's or parent company's Annual Report to Shareholders discussing the previous calendar year.
- Internal Financial Information: income statement, balance sheet, and statement of cash flows, if they are not included in your regulatory information for the previous calendar year-end
- Most recent:
  - Report of Audit
  - Forecasts
  - Goodwill impairment study
  - Asset impairment study
  - Appraisal or valuation
  - Hurdle rate analysis or other internal rate of return or cost of project analysis
  - Purchase price allocation

If your company had more than one of any of the above studies or reports completed during the previous calendar year, provide all from the previous calendar year. Otherwise, provide the most recently completed study or report, even if you completed it earlier than the previous calendar year.

- Source Information: You must provide the source information for the amounts you list on the Market Value Report. Include the supporting document name and page number in the Source column on the Market Value Report. If the value reported does not reconcile, you must provide an explanation and/or additional statement.
- Exclusions: You must provide an additional schedule and cite the statute under which the property is excluded for any exclusions (lines 52-77).

**If you do not provide the statute and schedule we will not allow the claimed exclusion.**

If any information is not available when you submit your report, use Section 11, Additional Notes, to notify the department when you will submit any missing information.

Contact us at 651-556-6112 or [sa.property@state.mn.us](mailto:sa.property@state.mn.us) if you are not sure if something listed applies to you.

### How do I complete the Market Value Report?

Complete each field for the System (entire amount for the company filing this report) and for Minnesota (figures for the company filing this report as the figures pertain to Minnesota).

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All figures you enter on the report should match figures from audited financial statements. If the amounts do not reconcile to your audited financial statements, you must provide an explanation and source documents.

If you complete an “other” field on the report, you must provide an explanation for why you are including the additional field as well as provide the source document.

### Section 1 – Company Information

Complete each field listed in this section for the company doing business in Minnesota.

### Section 2 – Allocation and Customer

Complete the necessary fields to report your plant at the System level and Minnesota level. For each field you complete, provide the source document.

Enter the units you have sold at the System level and Minnesota level. The applicable units sold may include barrel miles, kilowatt hours, etc. Include the unit you used in the comments section.

Identify the number of metered customers, if applicable

### Section 3 – Plant Accounts

Provide your plant cost information at the System level and Minnesota level.

If providing “other”, add supplemental schedule that itemizes the amount listed on Line 11.

### Section 4 – Non-Depreciable Plant Costs

Provide System and Minnesota cost information from audited financial statement for all non-depreciable plant costs, by asset category.

If providing “other”, add supplemental schedule that itemizes the amount listed on line 18.

### Section 5 – Plant Depreciation

Provide System and Minnesota cost information from audited financial statements for the amount of depreciation related to the plant amounts you listed in Section 3.

If providing “other”, add supplemental schedule that itemizes the amount listed on line 23.

### Section 6 – Income and Expense Information

**Note** Detailed income and expense figures and anticipated

income and expenses collected by the department is private or nonpublic data.

Provide System and Minnesota (if available) income and expense information from audited financial statements.

If providing “other”, add supplemental schedule that itemizes the amount listed on line 41.

### Section 7 – Minnesota Excludable Property – Non-Depreciable

List the amounts for all non-depreciable property, located in Minnesota that is non-taxable or locally assessed. You must provide an itemized listing of all property you report as excludable property and provide the statute for which the property qualifies for the exclusion.

**Note:** The company has the burden of proof to establish that the value of any property should be excludable from the Minnesota portion of unit value.

The department will not accept any claimed excludable property amounts that are not substantiated by the company.

Construction work in progress (CWIP) may be excluded if it is:

1. Property that is not yet at its permanent location. This is called MN Qualifying CWIP. You must provide verification of this amount.  
or
2. Property that is otherwise non-taxable or locally assessed. You must provide the reason why CWIP is non-taxable or locally assessed.

If providing “other”, add supplemental schedule that itemizes the amount listed on line 55.

### Section 8 – Minnesota Excludable Property – Depreciable

List the amounts for all depreciable property, located in Minnesota that is non-taxable or locally assessed. You must provide an itemized listing of all property you report as excludable property and provide the statute for which the property qualifies for the exclusion.

**Note:** The company has the burden of proof to establish that the value of any property should be excludable from the Minnesota portion of unit value.

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The department will not accept any claimed excludable property amounts that are not substantiated by the company.

Inventory of meters only includes meters that are not installed.

Electric Distribution Lines in Rural Areas is only for:

1. Electric Cooperatives that pay a per member tax on their rural distribution lines as provided by Minnesota Statutes, sections 273.38 – 273.41. You can only include the amount of your rural distribution lines. This does not include the amount for street lighting, substations, etc.  
Or
2. Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail as provided by Minnesota Statutes, section 272.02, subdivision 19

If you are claiming pollution control property as excludable property, you must also include a copy of the order granting the exemption.

If providing “other”, add supplemental schedule that itemizes the amount listed on line 76.

### Section 9 – Long-Term Debt

Attach a schedule of long-term debt for the company filing the report of the parent company of the company filing the report.

### Section 10 – Forecasts

**Note:** Detailed income and expense figures and anticipated income and expenses collected by the department is private or nonpublic data.

Attach Financial Forecasts, including, but not limited to income, expense, and capital expenditures.

### Section 11 - Additional Notes

The “additional notes” section may be used to add clarification or emphasis to any information provided within the report.

If any supplemental information is not available when you submit your report, use this section to notify the department when you will submit any missing information.

You may also use this “additional notes” section to bring the department’s attention to information that is not included elsewhere in the report, which the department should consider when developing an estimate of market value.

### Section 12 – Stock and Debt Information

**Note:** Income information regarding income producing properties that is collected by the department is private or nonpublic data.

You must complete this section if the company filing this report is publically traded or if the parent company of the company filing this report is publically traded.

If the company’s parent is publically traded, “unit” refers to the company filing this report and “parent” refers to the parent company (publically traded parent).

### Questions?

Email questions to [sa.property@state.mn.us](mailto:sa.property@state.mn.us) or call 651-556-6112.

### Use of Information

The information requested on this form is used to estimate your market value for each property type, by parcel. If you do not provide the information, the Department of Revenue may value your property based on the best information available.

All information requested on this form is public, except detailed income and expense figures and anticipated income and expenses.

### Penalties

Making false statements on this report is against the law. Minnesota Statutes, section 609.41, states that anyone giving false information in order to avoid or reduce their tax obligation is subject to a fine of up to \$3,000 and/or one year in prison.