

# Instructions for Utility Property Record Return

## Who Must File

Every electric light, power, gas, water, transportation, and pipeline doing business in Minnesota must file a Utility Property Record Return and certification form each year.

The return 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).)

**Note:** The return is in spreadsheet format and the certification form is in PDF format. You must complete and submit both of them to our office, as instructed below.

## Certification Form

You must complete, sign, scan, and email the [Certification by Utility, Cooperative, or Pipeline Company](#) with your Property Record Return each year.

You can download and print the certification form at our website, [www.revenue.state.mn.us](http://www.revenue.state.mn.us). (Click *Businesses > Property Tax > Utility Property Tax > Certification by Utility, Cooperative, or Pipeline Company*.)

## Why do you need to complete the Property Record Return?

The Property Record Return lists and identifies all of your existing real and personal utility property. We use this return to apportion your unit value to each taxing jurisdiction.

It should include both owned and leased properties including rural electric distribution, transmission, and pipeline property.

## **\*\*NEW THIS YEAR\*\***

### Machinery values

There are no longer separate columns for structure value and machinery value. We moved the machinery value from the columns on the right of the return to the rows beneath the corresponding structure value.

### Property Description column

We added a new column, Column P, Property Description (Abbreviation). You **must** complete this column. This is a drop-down menu and lists all of the new property descriptions that are used as part of PRISM (Property Record Information System of Minnesota).

## Cost of Pollution Control/Specific Exemption

If you claim a pollution control exemption or if you have a specific exemption, you must include the cost of the property in the Prior Yr. Cost Column (Column Q) and in the Cost of Pollution Control/Specific Exemption Column (Column T). This will help the department track these exemptions.

The cost of the Pollution Control Property or the property that qualifies for a specific exemption will not affect apportionment.

Exemptions listed under Minnesota Statute, section 272.02 are examples of the type of specific exemptions that you should report. These include (but are not limited to):

- pollution control exemptions (subd. 10),
- property used to distribute electricity to farmers (subd. 21),
- certain electric generation facility personal property (subd. 33)

Report the specific exemption statute in Column V, Company's Explanation.

The sliding scale market value exclusion is an exclusion, not an exemption, and has different reporting requirements.

## Sliding Scale Market Value Exclusion

If you have already qualified for a sliding scale market value exclusion on a property, do not make any adjustments to your cost figures. The market values will be adjusted following apportionment based on the efficiency rating of the property.

If you have previously made adjustments to the cost of the property for the sliding scale exclusion, you must add back the adjustment in the additions column for this year. The original cost of the property must be reported accurately and the sliding scale market value exclusion will be applied after apportionment.

## How to complete the Property Record Return

You must report any additions or retirements to operating property that occurred during the previous calendar year, using Column R for additions and S for retirements. Ensure Current Yr. Total Cost (Column U), is the original cost of operating property plus any improvements, minus any specific exemptions and retirements as of January 2 of the assessment year.

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If the amount of the Current Yr. Additions (Column R) or the amount of the Current Yr. Retirement (Column S) is more than 10% of the **Current** Yr. Total Cost (Column U), you must explain the change in “Company’s Explanation” (Column V). Counties often have questions regarding significant changes to a property record and we use this information for their benefit.

If you fully retire property in a record, enter “**Fully Retired**” in Column V, Company’s Explanation.

## County’s Notes column

County’s Notes (Column W) is for the county to keep any information they need to make administration easier. You should also use this company to note any co-owned property. Companies that co-own property should get together, decide on some type of notification for the county, and include that notification in Column W.

## How to report new property

A new property is one which is new to your company and for which you have not reported any previous cost amounts to the department.

Add new property below your last property record.

For new property, complete columns:

- County Name
- Parcel ID
- City/Town Name
- Property Name,
- Property Description (Abbreviation)
- Current Yr. Additions
- Cost of Pollution Control/Specific Exemption
- Company’s Explanation

You **must** include the parcel ID for all property records.

## Adding new property to the Property Records

You must add property to the property records if the property was in its permanent location as of January 2 of the assessment year.

The property does not have to be “in service” as of January 2 of the assessment year to be included on the property records.

## What are “associated charges”?

Associated charges can include soft costs of construction such as legal fees, permits, licensing, etc.

These associated charges should be allocated across the cost of all property included in a project and added to the property records with the associated property as it is placed at its permanent site.

## What about property owned by multiple companies?

If more than one company owns property, the property records should be very similar. The companies should use the same property name on their property records to identify the shared property. If companies can not use the same property name, they should use County’s Notes (Column W) to identify the property. This will allow easier administration by counties.

## Submission

Submit the return and scanned certification to [sa.property@state.mn.us](mailto:sa.property@state.mn.us). We will not accept paper printouts of the return.

## Questions

Email questions [to sa.property@state.mn.us](mailto:sa.property@state.mn.us) or call 651-297- 5570

## Use of Information

The information requested on this form is used to estimate your market value. 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.

## Penalties

Making false statements on this report is against the law. Minnesota Statutes, section 609.41, states that anyone giving false information to 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.