

Market Value Report Instructions

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.

If we value your operating property using Minnesota Rules 8100.0300, subpart 6 (commonly referred to as Cost Less Depreciation or CLD), you do not need to complete the Utility and Pipeline Market Value Report.

When is it due?

The report and certification are due by March 31. We may grant a 15-day filing extension. (Email your request for an extension to sa.property@state.mn.us.) For information about extensions, including how to request one, go to www.revenue.state.mn.us and type **Utility and Pipeline Extension** into the Search box.

Where can I access the report and certification?

The Market Value Report includes the certification. To find the report, go to www.revenue.state.mn.us and type **Utility and Pipeline Property Tax** into the Search box.

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.

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:

- 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: We may ask you for verification and supporting documents for numbers listed on this report.

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 651-556-4974 or 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).

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.

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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 level 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 statements 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 excluded 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 one of the following:

- Property not yet at its permanent location. This is called Minnesota Qualifying CWIP. You must provide verification of this amount.
- Property otherwise non-taxable or locally assessed. You must state why it 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 amounts for all depreciable Minnesota property 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 it qualifies for 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.

Inventory of meters only includes meters that are not installed.

Electric distribution lines is only for either of the following:

- The amount of rural distribution lines, if you are an electric cooperative that pays \$10 per 100 members annually (commonly referred to as the REA Membership Tax). If you reported this property within the other sections of this report, you can report the nontaxable portion here. This will help us accurately identify the taxable portion of your property.

Note: Only include the amount of your rural distribution lines. Do not include the amount for street lighting, substations, etc.

- Electric power distribution lines, their attachments, and appurtenances used primarily for supplying electricity to farmers at retail.

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 or 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.

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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 publicly traded or if the parent company of the company filing this report is publicly traded.

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

Special Instructions for Certain Cooperatives

Some electric cooperative associations pay \$10 per 100 members annually (commonly referred to as the REA Membership Tax) instead of paying property taxes on their electric distribution lines located outside of a city.

For those cooperative associations, information provided on the Market Value Report and Property Record Report must both:

- Be aggregated to the unique taxing jurisdiction level.
- Exclude information related to property subject to the REA Membership Tax.

Unique taxing jurisdiction means the geographic area subject to the same set of local tax rates.

Questions

Email questions to sa.property@state.mn.us or call 651-556-4974.

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 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 expense.

Penalties

Making false statements is against the law. Anyone providing false information is subject to a fine of up to \$3,000 and/or one year in prison.