

# Railroad Market Value Report Instructions

## Who must file?

Railroad companies doing business in Minnesota must file a Railroad Market Value Report and certification form each year.

## When is it due?

The report and certification are due by March 31. The Minnesota Department of Revenue may grant a 15-day filing extension.

For information about how to request an extension, visit our [Extensions webpage](#).

## Where can I access the report and certification?

The Railroad Market Value Report includes the certification. It is posted on our [Railroad Property Tax webpage](#).

## How do I submit the report and certification?

Email completed report, certification, and supporting documents to [sa.property@state.mn.us](mailto:sa.property@state.mn.us).

Include any required supporting documentation with the report or as soon as it is available.

## Supporting documentation

You must submit this information with your Railroad Market Value Report or as soon as it is available:

- Internal financial information for the previous calendar year-end, if they are not included in your regulatory information
  - Income statement
  - Balance sheet
  - Statement of cash flows

If you file an Annual Financial Data Report (R-1) with the Surface Transportation Board, you do not need to provide a copy to us. We will access this information from the Surface Transportation Board's webpage.

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

- Minnesota financial information
  - Documents that identify the plant balances located in Minnesota (Section 6, 7, and 8)
- Minnesota locally assessed property
  - Provide an additional schedule and cite the statute under which the property is excluded (Section 10, line 47)

**Note:** You must prove that the value of any property should be excluded from the Minnesota portion of unit value. We will not accept unsubstantiated claims on excludable property amounts.

If your company had any of the following 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, **if available**:

- Audit Report (audited financial statements)
- 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

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**Note:** As we review your report and complete your valuation, we may request additional information or documentation.

If any information is not available at the time you submit your report, use Section 13, Additional Notes, to notify us when you will submit it.

Contact us at 651-556-4974 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 Railroad Market Value Report?

### Section 1 – Company Information

Complete each field listed in this section for your company.

### Section 2 – Allocation Information

Complete the necessary fields to report the allocation information at the System level and Minnesota level for the calendar year, ending before the assessment year. For example, you will report data ending 12/31/2019 for the January 2, 2020 assessment.

### Section 3 – Property Information

Provide your plant level cost information at the System level for the calendar year, ending before the assessment year. For example, you will report data ending 12/31/2019 for the January 2, 2020 assessment.

If providing “Other Item(s),” add supplemental schedule that itemizes the amount listed on line 12.

### Section 4 – Land and Personal Property within Road, Construction in Progress, and Other Item(s) from Section 3

Provide System cost information for land and personal property included with Road (line 6), Construction in Progress (line 9), and Other Item(s) (line 12) of Section 3 for the calendar year, ending before the assessment year. For example, you will report data ending 12/31/2019 for the January 2, 2020 assessment.

If providing “Other Item(s),” add supplemental schedule that itemizes the amount listed on line 21.

### Section 5 – Obsolescence Factors

Provide factors used to calculate obsolescence. Use information for the calendar year before last. For example, for the January 2, 2020 assessment, you will report data ending 12/31/2018.

Net income before taxes means income before subtracting federal, state, and deferred income taxes.

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

### Section 6 – Apportionment Information

Provide Minnesota cost information for the requested accounts for the calendar year ending before the assessment year. For example, you will report data ending 12/31/2019 for the January 2, 2020 assessment.

We will use this information to complete an investment cost study each year. We use this information for the next assessment for apportionment.

### Section 7 – Minnesota Costs

List the dollar amount included in your financial statements for your operating property located in Minnesota. The total for this sections should be the total amount of your investment in Minnesota. Provide a schedule for each line item.

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### Section 8 – Minnesota Personal Property

List amounts for all operating personal property located in Minnesota.

For Computer & Word Processing Equipment on line 35, only enter the MN portion of Computer & Word Processing Equipment included within the Surface Transportation Board Form R-1 Schedule 330, Account 16. Do not include amounts from R-1 Schedule 330, Account 59, which is accounted for elsewhere.

These amounts must be included within one of the accounts in Section 7. Provide a schedule for each line item.

### Section 9 – Income

List the amounts for:

- Net Railway Operating Income
- Net Revenues from Railway Operations
- Income Available for Fixed Charges

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

### Section 10 – MN

If you included any amount for property that is locally assessed in Section 7, include the amount of locally assessed property here. Provide an additional schedule.

**Note:** You must prove that the value of any property should be excluded from the Minnesota portion of unit value. We will not accept unsubstantiated claims on excludable property amounts.

### Section 11 – Stock and Debt Information

You must complete this section if you are publicly traded or if your parent company is publicly traded.

If your parent company is publicly traded, “unit” refers to you and “parent” refers to your parent company.

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

### Section 12 – Forecasts

Attach financial forecasts, including, but not limited to:

- Income
- Expense
- Capital expenditures

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

### Section 13 – Additional Notes

Use the Additional Notes section may 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 section to bring our attention to information that is not included elsewhere in the report that we should consider when developing an estimate of market value.

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### Questions

Email questions to [sa.property@state.mn.us](mailto: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 in order to avoid or reduce their tax obligation is subject to a fine of up to \$3,000, one year in prison, or both.