

# State Assessed Property Fall Forum 2021



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## Disclaimer

This presentation is for educational purposes only. It is meant to accompany an oral presentation and not to be used as a standalone document.

This presentation is based on the facts and circumstances being discussed, and on laws in effect when it is presented. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

If you have any questions, contact us at [sa.property@state.mn.us](mailto:sa.property@state.mn.us), or consult a tax professional.

# Agenda

- Department updates, State Assessed Property Section
- Exemption Process, Information & Education Section
- Minnesota Department of Commerce
- Lunch Break
- Surface Transportation Board
- Panel Discussion



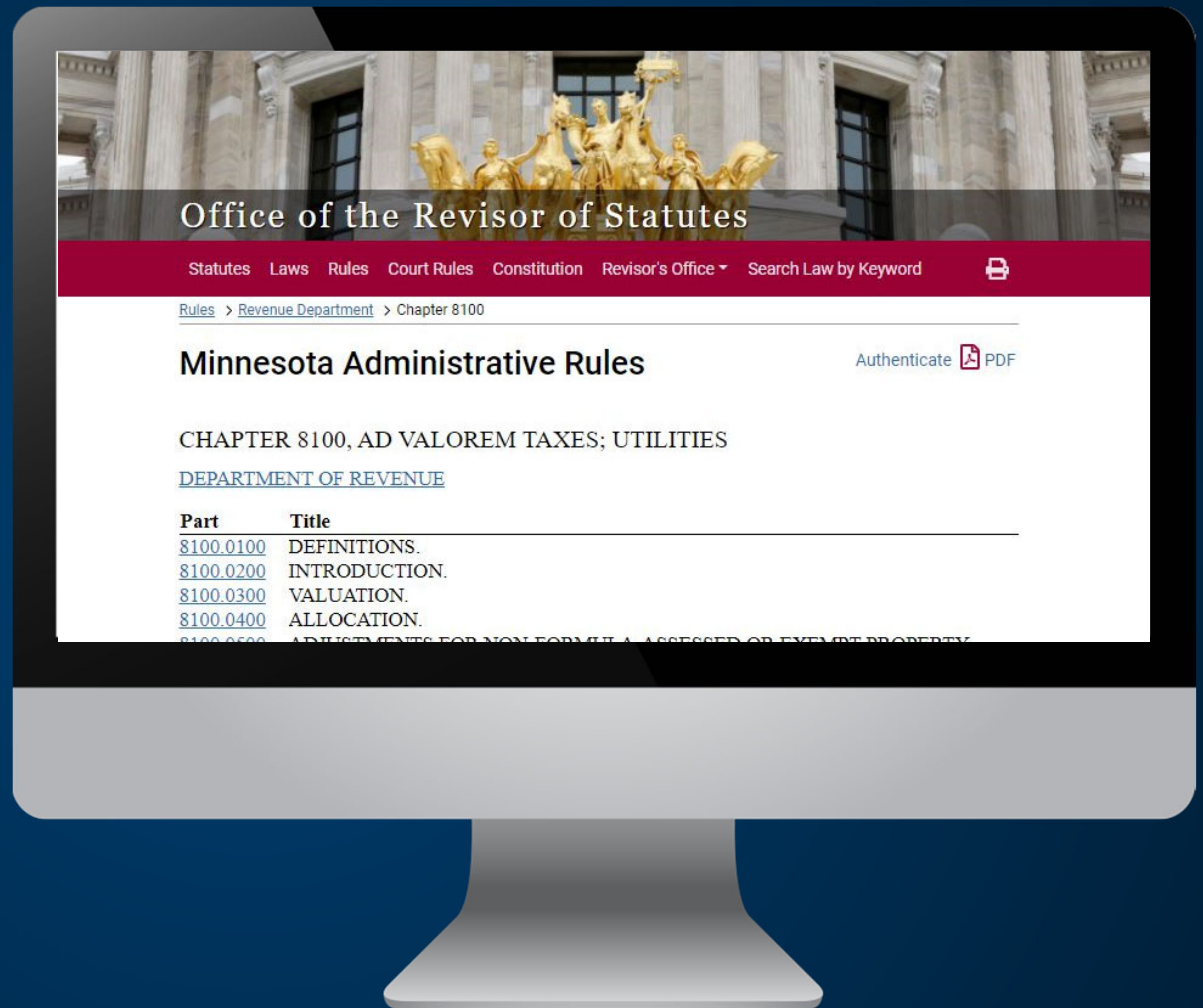
# Department Updates

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# Department Updates

- Legislative Updates
  - Listening Sessions
  - Energy Production Taxes
  - Energy Transition Office
- Equity and Anti-Racism Update
  - [proptax.EAR@state.mn.us](mailto:proptax.EAR@state.mn.us)

# Valuation Process and Timeline



## Valuation Process and Timeline

- Department values utility, pipeline, and railroad companies
- Companies can appeal values
- Department certifies values to the counties
- Values may change
- Department issues corrected, certified values to the counties

# Department Updates

## Administrative appeals and Tax Court appeals

<b>Assessment Year</b>	<b>Administrative Appeals</b>	<b>Tax Court Petition Filed After Admin Appeal</b>	<b>Tax Court Petition, No Admin Appeal</b>
2017	27	9	8
2018	20	6	8
2019	23	4	3
2020	27	3	1
2021	30	Pending	Pending



# State Assessed Properties



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# Property Records

- Utility and Pipeline Operating Property
- Railroad Operating Property



# Property Record Report

Company ID	DOR Property ID	Parcel ID	County Name	City/Town Name	Property Name	New or Retired (0=New; 1=Pre-Existing; 2=Retired)	Property Type Description
001	0001	01-0123-000	ANOKA	ANDOVER CITY OF	REG STATION	1	Structure, Owned Land

# Property Record Report

Prior Year Cost	Current Yr Additions	Current Yr Retirements	Cost of Pollution Control/ Specific Exemption	Current Yr Total Cost	County's Notes
20,000	5,000	0	0	25,000	

# Property Record Report

- Railroad Property Record Report differences

DOR Property ID	County Name	County Code	City/Twp Name	City/Twp Code	Parcel ID	Property Name	Line Name
0010001	AITKIN	01	Unorg. 52-22	1914	43-0- 060200	None	Boylston- Cass Lake

# Property Record Report

- Railroad Property Record Report differences

County Notes	Mainline Miles	Other Miles of Track	Operating Acres	Org Cost of Structure
None	1.04	0	25.2	0

# Countywide Average Tax Rate

The screenshot shows the Minnesota Department of Revenue website. At the top left is the logo 'm DEPARTMENT OF REVENUE'. To the right is a search bar. Below the logo is a navigation menu with links: 'Individuals', 'Businesses', 'Tax Professionals', 'Governments', 'Policy & Research', and 'Fraud'. The main content area has a title 'Tax Rates for Utility and Pipeline Property'. Below the title is a paragraph explaining that tax rates vary by property type. Another paragraph notes that structures on owned land are real property assessments, while others are personal property assessments. A 'Class Rate' section states the rate for utility and pipeline property is 1.5% on the first \$150,000 and 2% on the value above \$150,000. A note specifies that other machinery and electric generation machinery have a 2% class rate. A disclaimer states that state general levy class rates are not included. At the bottom of the main content are two expandable sections: 'Property Types Taxed at the Local Tax Rate' and 'Property Types Taxed at the Countywide Tax Rate', both with a '+' icon. On the right side, there are two sidebars. The top one is 'Contact Info' with sections for 'EMAIL' (Contact form), 'PHONE [+]' (651-556-6091 for Property Tax Refunds, 651-296-3781), 'HOURS [+]', and 'ADDRESS [+]'.

**m** DEPARTMENT OF REVENUE

Search

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## Tax Rates for Utility and Pipeline Property

Depending on the property type, utility and pipeline operating property is subject to different tax rates, class rates, tax distribution, and other administrative differences.

Structures on owned land are real property assessments. The remaining property types are personal property assessments.

### Class Rate

The class rate applied to utility and pipeline property is

- 1.5% on the first \$150,000
- 2% on the value above \$150,000

**Note:** Other machinery and electric generation machinery that has a class rate of 2%.

This information does not include the state general levy class rate.

Property Types Taxed at the Local Tax Rate [+]

Property Types Taxed at the Countywide Tax Rate [+]

#### Contact Info

**EMAIL**  
Contact form

**PHONE [+]**  
651-556-6091  
Property Tax Refunds  
651-296-3781

**HOURS [+]**

**ADDRESS [+]**

#### Last Updated

August 27, 2020

# Market Value Report

- Land v. Land Rights
- Interest Expense
- Minnesota Qualifying Construction Work in Progress (CWIP)
- Locally Assessed or Non-taxable Construction Work in Progress (CWIP)



# Energy Production Taxes



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# Department Updates

## Standardized Energy Production Tax Statement

Available on the Wind and Solar Energy Production Tax Webpages:

<https://www.revenue.state.mn.us/wind-energy-production-tax>

<https://www.revenue.state.mn.us/solar-energy-production-tax>

Found under the dropdown category of “Tax Information”



**Spruce County**  
Jane Smith, Auditor-Treasurer  
345 12th Street East, Box 78  
Spruceville, MN 55555-5555  
(555) 345-6789  
[www.co.spruce.mn.us](http://www.co.spruce.mn.us)

Issue Date: April 1, 2021

Tax Due: \$44,608.57

Due Date: May 15, 2021

**Taxpayer(s):**

John and Mary Johnson  
123 Pine Road South  
Spruceville, MN 55555-5555

Property ID: 01.234.56.7890

City/Township: Aspen Township

Solar Energy Production Tax Statement	
Taxes Payable in	2021
<b>Tax Calculation</b>	
MWh energy production in calendar year 2020:	37,173.808
Tax Rate per MWh:	x \$1.20
MWh = megawatt-hour	
<b>Total Tax Due:</b>	<b>\$ 44,608.57</b>

The tax due is the amount certified by the Minnesota Department of Revenue for Energy Production Taxes payable in 2021.

Unpaid taxes are subject to the same enforcement, collection, and interest and penalties as delinquent personal property taxes.

**Questions?**

If you have questions about this tax bill, contact us at:  
Phone: 555-345-6789  
Email: [auditor-treasurer@co.spruce.mn.us](mailto:auditor-treasurer@co.spruce.mn.us)

If you have general questions about the Energy Production Tax, contact the Minnesota Department of Revenue at:  
Email: [sa.property@state.mn.us](mailto:sa.property@state.mn.us)

### Solar Energy Production Tax Statement - Payment Stub

To avoid penalty, pay by May 15, 2021

Property ID: 01.234.56.7890

City/Township: Aspen Township

**Taxpayer(s):**

John and Mary Johnson  
123 Pine Road South  
Spruceville, MN 55555-5555

Energy Production Tax: \$	<b>44,607.57</b>
Penalty, if any: \$	
<b>Total Tax Due: \$</b>	<b>44,607.57</b>

Due by May 15, 2021

Make check payable to and mail to: Spruce County Auditor-Treasurer  
345 12th Street East, Box 78  
Spruceville, MN 55555-5555

# Department Updates

## REV188



### Form REV188, State Assessed Property Email Authorization

Read instructions before completing this form.

Organization	Organization Name	Minnesota or Federal Employer Identification Number (FEIN)		
	Street Address or PO Box	Phone Number		
	Apt. or Suite	Fax Number		
	City	State	ZIP Code	Email Address

Recipient	Name of Person/Group to Receive Orders, Certification, or Notices by Email	Title or Group Name	
	Email Address	Expiration Date (Leave blank if authority granted indefinitely)	
	Signature	Date / /	

**Signature**

This authorization is not valid until it is signed and dated by someone with legal authority to sign agreements on behalf of the organization.  
I certify that I have the legal authority to sign this form.

Signature	Print Name and Title	Date / /
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Send a signed copy of this form to the department:  
Mail: Minnesota Department of Revenue, Mail Station 7703, 600 N. Robert St., St. Paul, MN 55146  
Fax: 651-556-5210  
Email: MNDOR.POA@state.mn.us

#### Form REV188 Instructions

##### Purpose of This Form

By signing this form, you authorize the Minnesota Department of Revenue to send orders, certifications, and notices to the identified recipient by email, that are otherwise required to be sent by first class mail.

This form does not authorize the department to send orders, certifications, and notices by email to anyone other than the recipient unless there is a valid authorization on file.

This authorization is not valid until it is signed and dated by both the recipient and authorized signer. In some cases the authorized recipient may also be the authorized signer.

We may request additional information as needed.

##### Recipient

The authorized recipient can be an individual or group. If the authorized recipient is a group, the recipient's signature may be anyone with access to the group email.

If the recipient should change, we ask that you update us on the changes by email at [sa.property@state.mn.us](mailto:sa.property@state.mn.us)

##### Expiration

This authorization remains in effect until it expires, if indicated above, or is removed in writing. You may remove this authorization at any time.

##### Questions?

Website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us)  
Email: [sa.property@state.mn.us](mailto:sa.property@state.mn.us)  
Phone: 651-556-6091

# Department Updates

- PRISM Codes Update on State Assessed Records

- PRISM Instructions updated
- PRISM Codes added to Utility & Pipeline Values

Property Type Description	PRISM Code	
	Property Type	Property Subtype
Structure, Owned Land	K10	D02
Elec Dist Lines Twp	K50	D03
Elec Trnsm > or = 69kV Unorg	K42	D03
Elec Trnsm > or = 200kV Unorg	K44	D03
Trans Pipeline	K75	D03
Elec Trnsm < 69kV	K41	D03
Elec Trnsm 100-200kV Unorg Blt	K43	D03
Elec Trnsm > or = 69kV Cty Org	K42	D04
Elec Trnsm > or = 200kV CtyOr	K44	D04
Elec Dist Lines City	K50	D04
Other Machinery	K30	D04
Structure, Leased Land	K10	D04
Gas Distrib Utility	K60	D04
Elec Gen Machinery	K20	D04
Water Utility	K70	D04
Railroad	L00	D01

# Questions?

## **State Assessed Property Section**

*sa.property@state.mn.us*



# Break

# Exemption Process

## Pollution Control Property Tax Exemption

- *MN Statute 272.02 subd. 10*

## Exemption Process for Pollution Control Property

### 1. Steps in application process



### 2. Maintaining exempt status

Company must file a PT64 (annually)

<https://www.revenue.state.mn.us/pollution-control-exemption>





# Minnesota Department of Commerce

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# Lunch Break



# Surface Transportation Board

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# Panel Discussion

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## Panel Discussion

- **Bill Sparks**, Auditor/Treasurer Section, Revenue
- **Gale Zimmerman**, Property Tax Compliance Officer, Revenue
- **James Shanley**, PRISM, Revenue
- **Jody Moran**, Tax Division Manager, Washington County
- **Joyce Larson**, Assessment Support Manager, Washington County
- **Tammy Cross**, Finance Supervisor, East Central Energy

# Thank You!

**State Assessed Property Section**

*sa.property@state.mn.us*