

**TAXATION OF RAILROADS, OTHER TRANSPORTATION
COMPANIES, AND OTHER BUSINESSES:**

A SURVEY OF STATE LAWS



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AND OTHER BUSINESSES: A SURVEY OF STATE LAWS**

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FOREWORD

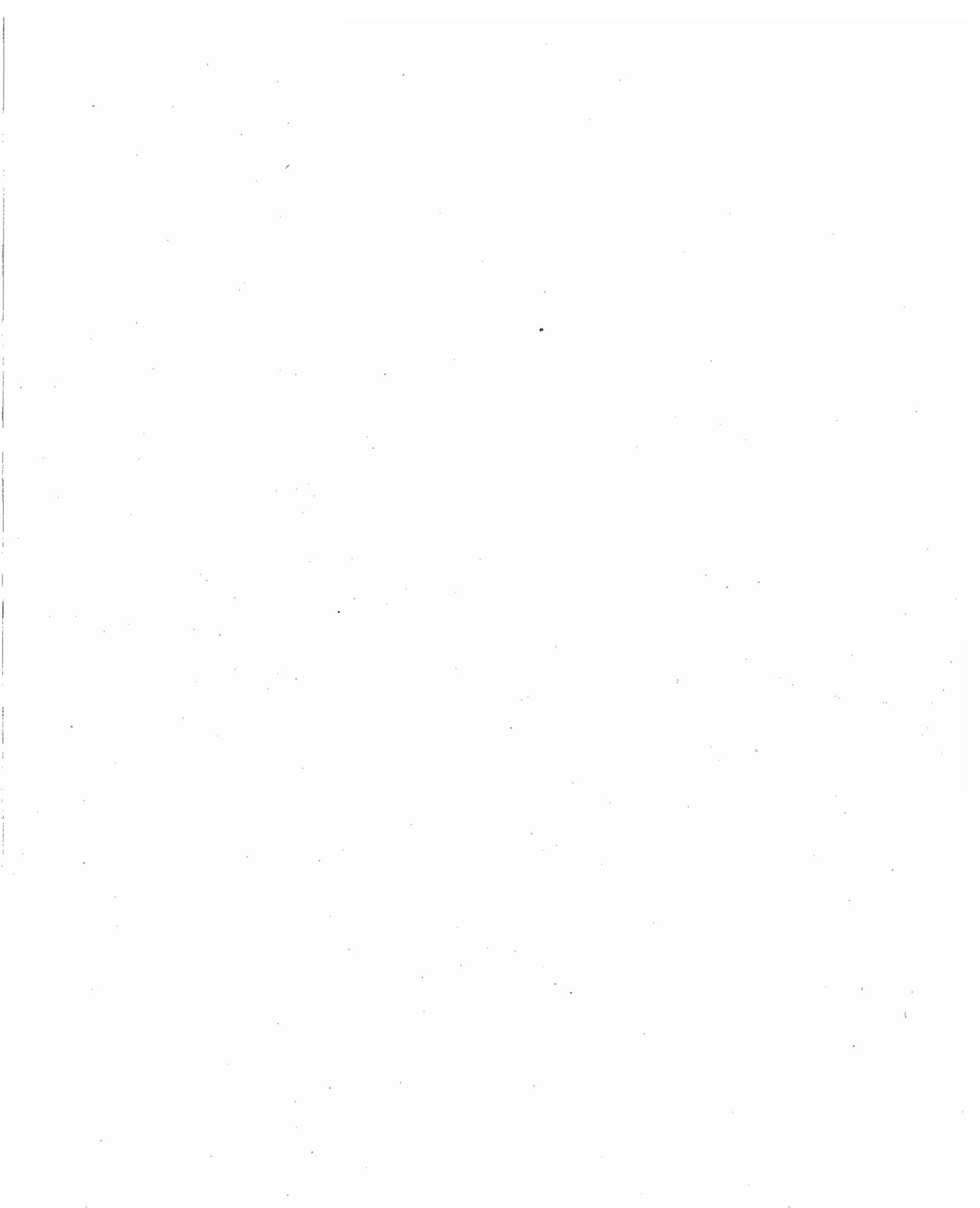
This report was prepared at the request of the New York State Department of Transportation, which is the lead agency member of a multidisciplinary task force currently studying the issue of railroad taxation in New York State. The other members of the task force are: the New York State Division of the Budget, the New York State Division of Equalization and Assessment, the New York State Department of Taxation and Finance, the Ways and Means Committee of the New York State Assembly, and the Finance Committee, Transportation Committee, and Program Staff of the New York State Senate.

The conclusions presented in this report are those of the Division of Equalization and Assessment and do not necessarily represent the views of the other members of the task force.

SUMMARY

Where there is competition between different types of carriers for the same business (as there often is between railroads and motor carriers for freight and between railroads and air carriers for passengers), railroads could well be at a competitive disadvantage if state and/or local taxing jurisdictions exercised their right to impose higher taxes on them than on other carriers. To assess the potential for discriminatory taxation of railroads, a survey was conducted of state laws governing all state and local taxes for which the carriers are liable: property taxes, income and gross receipts taxes, taxes levied to support regulatory agencies, sales and use taxes, capital stock taxes, and miscellaneous other taxes and fees.

The survey indicates that in New York and most other states, in terms of total taxes and fees, railroads are treated neither better nor worse than their chief competitors, motor and air carriers. The survey also shows that, where railroads are not treated the same as motor and air carriers for tax purposes, railroads are usually treated better than the other carriers.



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Introduction

This survey was done as part of a study of railroad taxation in New York State, the purpose of which is to evaluate the impact of state and local taxes on the railroad industry and to measure the effect of tax abatements granted to railroads on state and local tax revenues. The survey of state laws governing the taxation of railroads is intended to show how New York State compares with other states in its treatment of railroads for tax purposes, particularly with regard to property tax policy and the taxation of railroads relative to other types of businesses.

Property tax policy and the treatment of railroads relative to other businesses are given special attention because of federal legislation prohibiting property taxation practices that discriminate against railroads engaged in interstate commerce [49 USCS §11503]. Effective February 5, 1979, federal law prohibits state and local governments from the following discriminatory practices:

1. Assessing rail property used in interstate commerce at a higher percentage of true market value than the percentage of true market value applied to other commercial and industrial property in the same assessing jurisdiction.*
2. Levying and collecting an ad valorem property tax on such rail property that exceeds the tax rate applied to other commercial and industrial property in the same assessing jurisdiction.
3. Imposing another tax that discriminates against rail carriers engaged in interstate commerce.

Interestingly, when the federal law speaks of the assessment and taxation of railroad property relative to other commercial and industrial property, it excludes "transportation

* However, the law also states that judicial relief may be granted to a railroad only if the ratio of assessed value to true market value of its property exceeds by at least 5% the ratio of assessed value to true market value of other commercial and industrial property in the same assessing jurisdiction.

In 1980 a similar law was enacted prohibiting tax discrimination against motor carrier property used in interstate commerce [49 USCS §11503a].

property" from the definition of industrial and commercial property. Thus the law prohibits favoring commercial and industrial property at the expense of railroad property but does not prohibit state and local governments from preferentially taxing motor, air, and water carrier property relative to rail property. Where there is competition between different types of carriers for the same business (as there often is between railroads and air carriers for passengers and between railroads and motor carriers for freight), railroads could well be at a competitive disadvantage if state and/or local taxing jurisdictions exercised their right to impose higher taxes on them than on other carriers. Because competition between different types of carriers for the same business is frequently mentioned as a matter of concern, our survey of state laws separates transportation companies from other types of businesses. In looking at state laws for tax discrimination against railroads as defined by the federal government, one should compare the taxation of railroads with the taxation of nontransportation businesses. To see whether railroads are being discriminated against in the marketplace, however, one should compare the taxation of railroads with the taxation of other carriers.

An overview of the taxes imposed on railroads, other carriers, and other types of businesses is given below. These taxes and the factors that enter into their computation are described in detail in state profiles, which follow the overview.

Property Taxes

In all states, property taxes are levied on real estate; in all but four states (Delaware, Hawaii, Illinois, and New York), property taxes are also levied on personal property.*

* In the following states, intangible personal property is exempt from property taxation: Alaska, Arkansas, California, Colorado, Connecticut, District of Columbia, Idaho, Iowa, Louisiana, Maine, Massachusetts, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, Oklahoma, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, and Wyoming; in Pennsylvania, tangible personal property is exempt.

Property taxes are imposed by local jurisdictions in every state, and in 19 states the state government also imposes a property tax.*

How a state treats a property owner for property tax purposes depends on four factors: (1) how the property is valued (that is, how its full value is determined), (2) how the property is assessed (i.e., how its taxable value is determined), (3) how the property is taxed (i.e., which tax rates are applied to the assessed value), and (4) how much of the assessed value is exempt from taxation. A fifth factor may also have an effect — how the classification of the property by type (e.g. as public utility or commercial) influences the assessment level or tax rate applied to the property; this factor is relevant only where so-called "classified" systems of property taxation exist (currently in 12 states and in one county in Illinois).**

Classification as Public Utilities

Whether a state considers transportation companies to be public utilities for property tax purposes is important where there are classified systems that do not isolate transportation companies as a class but do classify public utilities separately and may or may not include transportation companies in the public utility class. Such is the case in Alabama, Louisiana, Montana, and New York. Designation of transportation companies as public utilities is also important in relation to state property taxes and nonproperty taxation because most states impose on public utilities taxes from which other businesses are exempt. Pennsylvania and Vermont impose state property taxes on public utilities, utilities are subject to special gross receipts taxes in some states (discussed later), and most states

* A state property tax is levied in Alabama, Alaska, Florida, Indiana, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, South Dakota, Vermont, Virginia, Washington, Wisconsin, and Wyoming.

** Classified systems are authorized by law in Alabama, Arizona, District of Columbia, Louisiana, Massachusetts, Minnesota, Montana, New York, North Dakota, South Carolina, Tennessee, and West Virginia. A classified system is also allowed in Illinois counties having a population greater than 200,000; only Cook County has elected to have a classified system.

impose on utilities gross receipts taxes for the support of the state commission that regulates them.

In all but two states (New York and Rhode Island), railroad companies are considered to be public utilities. Other carriers are classified as public utilities as follows: motor carriers in 35 states (in 13 states, only certain types of motor carriers are considered to be public utilities — e.g., common carriers, contract carriers, or those not engaged solely in interstate commerce); air carriers in 28 states (with 9 states restricting utility classification to certain types of carriers); water carriers in 23 states (with 11 states restricting utility classification to certain types of carriers).*

Although they are often classified as public utilities, private railroad car companies and express companies are excluded from our survey because they play a very limited role in passenger and freight transportation and are thus not comparable with rail, motor, air, and water carriers.**

Valuation - Determination of Full Value

It is likely that the full value of property of different carriers will be different if different legal valuation standards are applied, and it is possible that full value will vary between carriers if the agencies responsible for valuation differ and not all agencies use the same appraisal methods.

* A "common carrier" is any person who holds himself out to the public as willing to undertake for hire to transport the property of others or passengers from those persons who would choose to employ him. A "contract carrier" is any person engaged in the transportation of property or persons for hire and not included in the term common carrier. A "private carrier" is any person engaged in the transportation of property sold, or to be sold, by him in the furtherance of any commercial enterprise other than transportation, but not as a common contract carrier.

** A "private railroad car company" is a company, other than a railroad company, which owns or operates railroad cars for the transportation of property or passengers on railroad lines (e.g., freight, sleeping, and pullman car companies). An "express company" is any person engaged in the business of transporting property and which does not itself operate the vehicles (except for terminal pickup and delivery vehicles) of transportation.

Legal Valuation Standard. In all but eight states, the same legal valuation standard is to be applied to all types of rail, motor, air, and water carrier property and all types of industrial and commercial property.

New York has three legal valuation standards for business property:

1. For all nonoperating property (property used for other than transportation purposes) of railroads, all property of railroads not subject to state-established ceiling values, all property of motor, air, and water carriers, and all industrial and commercial property, the legal valuation standard is "value," a term that is not defined by statute.
2. For operating property of ceiling-value interstate railroads, the legal valuation standard is "value" adjusted by an economic factor consisting of the ratio of 3-year average expenses to 3-year average revenues.
3. For operating property of ceiling-value intrastate railroads, the legal valuation standard is "value" adjusted by an economic factor based on 5-year average earnings.

Illinois has two legal valuation standards for business property:

1. For all business property except railroad operating property, the standard is "fair market value," which is defined by statute.
2. For railroad operating property, the standard is "fair market value" adjusted by the value of all stocks, bonds, other indebtedness, and net earnings for the past 5 years.

Florida, Minnesota, and Nevada have one legal valuation standard for railroad operating property and another standard for all other business property. Railroad operating property is to be valued as a single unit; that is, the value of all operating property statewide is to be considered, with minimum consideration given to the aggregate value of the separate parts.

New Mexico has a separate valuation standard for aircraft. The value of gas-engine aircraft is to be determined by discounting the original cost by 90%, regardless of age; jet-propelled aircraft's depreciation allowance, assuming a 12-year life, is to be applied against 80% of the original cost, with a minimum value of 20% of the original cost.

Connecticut and Maine have unique standards for the valuation of some water carrier property. In Connecticut, vessels of an interstate company are to be valued at their net

earnings level. In Maine, valuation of vessels greater than 50 tons is to be at \$20/ton when new, decreasing by \$1/ton per year for 17 years.

Valuation Responsibility. As shown in Table 1, in 11 states, all railroad property is valued by the state. In 8 states, all railroad property is locally valued. Most often with railroad property, valuation responsibility is split between the state and local jurisdictions; operating property is usually valued by the state (43 states), whereas nonoperating property is usually valued locally (40 states). Valuation responsibility for the other carriers and for industrial and commercial property is quite different.

Only 3 states require that all motor carrier property be valued at the state level. In 37 states, all motor carrier property is locally valued. In 11 states, valuation responsibility is split between the state and localities.

All air carrier property is valued by the state in 10 states. In 27 states, all air carrier property is valued by local jurisdictions. Valuation responsibility is split in 14 states.

In 4 states, all water carrier property is valued by the state. Localities have valuation responsibility for all water carrier property in 32 states. In 15 states, responsibility is split.

Industrial and commercial property is almost invariably valued by local jurisdictions, with 2 states having valuation responsibility for industrial property split between the state and localities and 1 state having responsibility for commercial property split.

As mentioned earlier, where different agencies (state vs. local or one locality vs. another locality) are responsible for valuing different carriers' property, determinations of full value for properties of essentially equal value may differ if different appraisal methods are used.

In the valuation process for railroads, allocation factors are used to determine (1) the total value of rail property in the state and (2) the value of rail property in each locality. The most common allocation factor used by states is all track miles.

Assessment - Determination of Taxable Value

Legally authorized assessment levels, as a percentage of full value, of transportation company property are unlike those of industrial and commercial property in 11 states, 7 of which have adopted a classified assessment system (see Table 2).

Railroad property is assessed at a different percentage of full value than other business property in 9 states. Alabama, Louisiana, and Tennessee assess railroad property at a higher level than industrial/commercial property, while in South Carolina railroad land is assessed higher and railroad personalty is assessed lower than industrial and commercial property of the same type. Two states assess railroad operating property at an average of other types: Arizona at the average of industrial, commercial, and public utility assessment ratios in the current year and Colorado at the average level of industrial and commercial properties in the previous year. Arkansas and North Carolina value railroad operating property at the state level, requiring a standard assessment percentage to be used, whereas authority for valuation of other properties is local and assessment levels are locally determined. Railroad property in Minnesota is at a disadvantage compared to other public utilities and with respect to locally assessed properties. Public utility tools, implements, and machinery are assessed at a level substantially lower than railroad personal property -- 33-1/3% vs. 43%. One parcel per county for each locally valued company may be assessed at 40% of the first \$50,000 and 43% of the remainder, while centrally assessed companies, including railroads, may have only one parcel per company in the state assessed at this level.

Motor carrier property is assessed at a different percentage of full value than most other properties in 5 states, in 4 states because of classified assessment systems and in 1 state (Arkansas) as a result of state valuation requirements. Three states (Alabama, Louisiana, and Tennessee) assess motor carrier property at a higher level than industrials and commercials. South Carolina assesses motor carrier land higher and motor carrier personalty lower than industrial and commercial property of the same type.

Six states assess air carrier property at a percentage of full value different from the percentage for industrial and commercial property, in 5 states because of classified assessment systems and in 1 state (Arkansas) as a result of having a specified percentage for all state-assessed property. Arizona, North Dakota, and Tennessee assess air carrier operating property at a level above that of industrials and commercials, although Arizona and North Dakota will equalize all business property assessment levels by 1992 and 1985, respectively. As explained above with regard to railroads, Minnesota assesses air carrier property at a higher level than certain other types of property. South Carolina assesses air carrier property at a rate higher for land and lower for personal property than industrial and commercial property.

Water carrier property is differentially assessed in 7 states, in 5 states because of classified assessment systems and in 2 states as a result of state rules and regulations. Alabama, Louisiana, and Tennessee assess water carrier property at a higher rate than industrial and commercial property. State assessment of property, including water carrier operating property, is accomplished in Arkansas by a uniform assessment ratio, while localities have responsibility for determining the assessment levels for most other property. In South Carolina, water carriers are assessed at a rate higher for land and lower for personal property than industrial and commercial property. Vessels registered in Oregon that ply the high seas are assessed at 4% of full value, while all other vessels are assessed at 40%; the assessment ratio of all other Oregon property is determined locally.

Taxation - Legal Standard for Property Tax Rates

Ten states apply to transportation company property tax rates that are different from the rates applied to industrial and commercial property. Massachusetts varies tax rates by property class, with railroads included in the industrial class and other carriers included in the commercial class.

Four states levy on railroad property a state tax in lieu of local taxes on operating property: Michigan - at the statewide average property tax rate, New Jersey - at \$4.75/track mile, Pennsylvania - at 3% of the assessed value of all real and personal property, and Vermont - at 1% of the assessed value of all real and personal property. Like Michigan, Minnesota and Wisconsin require railroad property to be taxed at the statewide average mill rate. Virginia levies a 1% tax on the assessed value of all railroad rolling stock.

Air carrier property is taxed at the average statewide rate in South Carolina, Minnesota, South Dakota, and Wisconsin. In Nebraska, such property is taxed at the average of tax rates in cities with airports.

Exemptions and Credits

Property taxes and other taxes paid by transportation companies are summarized in Table 3. Exemptions from and credits allowed against property taxes and sales and use taxes are shown in Tables 4 and 5.

Real property tax exemptions and credits for railroads and other carriers are available in 15 states, 6 of which substitute other taxes for the local real property tax. Michigan, New Jersey, Pennsylvania, and Vermont impose a state property tax in lieu of local taxes on railroad operating property. In Georgia, the Georgia Railroad Company, by virtue of its 1833 charter, is exempt from all state and local taxes but pays 0.5% of its net earnings to the State Revenue Commission. Hawaii is the only state that allows for the total exemption of the operating property of all transportation companies without a substitute tax being imposed. In Connecticut, railroad operating property is exempt, with no substitute tax imposed. Land within railroad right-of-way is exempt in Delaware, Maine, Massachusetts, and New Jersey. Massachusetts also abates part of the property tax liability if net income falls below a certain level. In New Hampshire, operating property less than 10 years old is exempt; in addition, the Governor may abate the taxes on all types of railroad property

after consultation with the State Tax Commission. Michigan and South Dakota allow credits against the property tax for maintenance and improvement expenses. New York and Nevada subsidize railroad improvement projects directly through property tax exemptions. The real property of carriers other than railroads is rarely exempt, and only in Hawaii is it exempt without a substitute tax being levied. Indiana and Michigan impose license fees on water carriers in lieu of property taxes on operating property; air carriers and motor carriers are also treated in this manner in Indiana.

Personal property tax exemptions for railroads are allowed in 9 states, for motor carriers in 9 states, for air carriers in 5 states, and for water carriers in 6 states. Maryland is the only state with a personal property tax that exempts the personal property of different carriers somewhat uniformly; railroad rolling stock and repair parts, motor carrier vehicles and repair parts, air carrier aircraft, and watercraft not greater than 100 feet are exempt from property taxes if engaged in interstate commerce. Indiana and Minnesota come close to having a uniform personal property exemption policy, with Indiana exempting motor vehicles, air carrier operating property, and water carrier operating property, and Minnesota exempting railroad rolling stock, registered motor vehicles, and registered aircraft. In the other states, exemption policy is less systematic, with 4 states exempting the personal property of only two of the four types of carriers and 12 states exempting the personal property of only a single type of carrier. Registration fees and/or income or excise taxes are imposed on carriers in lieu of personal property taxes in 12 states.

Income and Gross Receipts Taxes

In 27 states, liability for income or gross receipts taxes is the same for transportation companies and industrial/commercial businesses. In 24 states, both groups pay the same income or gross receipts taxes; in 3 states (South Dakota, Texas, and Wyoming), both groups are exempt from such taxes. In 2 states (Alaska and Nevada), all transportation companies are exempt from income or gross receipts taxes, while industrial and commercial businesses

are liable for such taxes. Indiana levies a gross income tax in addition to an adjusted gross income tax, but exempts interstate carrier services.

Tax policy regarding different types of transportation companies differs in the remaining 22 states. Eleven states exempt one or more of the carriers from the income/gross receipts taxes imposed on industrial/commercial businesses but substitute a similar tax. Alabama, Connecticut, Maine, Massachusetts, New Jersey, Ohio, and Rhode Island exempt railroads from income/gross receipts taxes imposed on industrial/commercial businesses but impose a substitute tax.* Usually a gross receipts tax is substituted for the industrial/commercial tax on net income; the exceptions are Massachusetts, which substitutes a tax on net income, and New Jersey, which substitutes a tax on net operating income. Because the bases for the railroad taxes are different from the bases for the industrial/commercial taxes, it is not possible to compare the two types of taxpayers in terms of tax burden; where the tax base is the same, in Massachusetts, the tax rate for railroads is lower than the rate for industrial/commercial businesses (6.5% of net income as opposed to 8.33% of net income plus a tax on tangible property and a surtax of 14%). Delaware exempts railroads and canal companies from the industrial/commercial business tax and substitutes a comparable tax at a higher tax rate for railroads and canal companies (10% of net earnings as opposed to 8.7% of net earnings). Maryland, New York, and Washington exempt all carriers from the industrial/commercial income tax and substitute a gross receipts tax.

In 8 states, all carriers are subject to the industrial/commercial business tax and are also liable for additional income/gross receipts taxes. South Carolina imposes an additional tax on railroads only (0.3% of gross receipts). Four states impose an additional tax on motor

* In Connecticut, railroads are allowed to deduct from the gross receipts tax all local taxes on nonoperating realty and funds expended for improvements complying with standards of service approved by the Commissioner of Transportation (usually rehabilitation projects).

carriers only: Arizona (2.25% of gross receipts); California (0.1% of gross operating revenue); Mississippi (3% of gross receipts for passenger carriers and from \$7.20/vehicle to \$1,512/vehicle, depending on weight, plus an annual inspection fee of \$15/vehicle for freight carriers); North Carolina (1.9% of gross earnings). Three states impose additional taxes on all carriers: Pennsylvania levies a public utility tax (4.5% of gross receipts)* on all carriers plus an additional tax on motor carriers only (0.8% of gross receipts); Tennessee imposes an annual report fee on all carriers (0.5% of gross receipts or a \$5 - \$150 flat fee based on the value of capital stock); West Virginia levies a public utility tax on all carriers (9.9% of gross receipts). Louisiana imposes an additional gross receipts tax on motor, air, and water carriers; railroads are also subject to this tax but, unlike the other carriers, are exempt from the industrial/commercial net income tax.

In Vermont and Wisconsin, railroads, but not other carriers, are exempt from the industrial/commercial business income tax; no substitute tax is imposed on railroad companies.

Regulatory Commission Gross Receipts Taxes

Fees to cover regulatory commission expenses are levied on railroads and/or other carriers, as well as on other public utilities, in 33 states. More than half of these states (18) apply the tax to all carriers and other public utilities or, as in the case of Hawaii and Rhode Island, to all common carrier and public utility companies. California is the only state that imposes such charges solely on certain carriers. In most instances, railroads and other carriers are assessed these charges at the same rate as other public utilities (in Georgia, Hawaii, Indiana, Maryland, Nevada, New Jersey, Ohio, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, West Virginia, and Wyoming). In 4 states, different rates are applied to different types of companies. Arkansas' maximum regulatory assessment is 0.4% of gross

* Railroads are allowed a credit against the public utility tax of 25% of right-of-way maintenance and improvement costs.

receipts for any carrier or other public utility, but the costs of regulating railroads is determined and apportioned separately from other commission expenses. Railroads and other carriers in New Mexico, by virtue of being regulated by the State Corporation Commission, are limited to a maximum tax rate of 0.25% of gross receipts, rather than the 0.5% rate that is imposed on Public Service Commission regulated public utilities. In Virginia, the total tax paid by all railroad corporations cannot exceed \$300,000, while there is no limit set on the taxes paid by other carriers and public utilities. Regulatory commission assessments in Washington are based on gross receipts at substantially different rates: railroads - 1.5%; motor and water carriers - 0.4%; air carriers, along with other utilities - 0.1% of the first \$50,000 and 0.2% of any excess.

The remaining 15 states apply a regulatory commission assessment only to certain carriers. Six of these states require only railroad companies to be assessed along with other public utilities. Connecticut and Illinois tax railroads at a rate equal to that applied to other utilities. In Florida, the rate for railroads (included in the same class as telephone, radio, electric, and gas companies) is 0.125% of gross receipts, which is lower than the rate for water and sewer companies (2.5% of gross receipts) but higher than the rate for municipal or cooperative gas and electric companies (0.016% of gross receipts). Mississippi apportions \$175,000 of State Corporation Commission expenses to railroads on the basis of all track mileage, while distributing \$700,000 to all other utility companies in proportion to their gross receipts; the use of different tax bases makes for a difficult comparison as to relative tax burdens. The situation in Tennessee is similar; railroad companies are taxed at 1 cent/1,000 ton miles, while other utilities are subject to a gross receipts tax that is levied at the rate of \$3/\$1,000 on the first \$1,000,000 and \$0.75/\$1,000 thereafter. In Vermont, on the other hand, railroads have a clear advantage over other public utilities with respect to regulatory assessments; the maximum tax rate on gross operating revenue for railroad companies is 0.01%, while 0.4% is levied on telephone and electric companies and 0.1% is applied to all other utilities.

Eight states apply the regulatory commission assessment to certain other carriers as well as to railroads. Idaho railroads are not taxed greater than 1% of gross receipts, while motor carriers are subject to a \$21 or \$7/power unit charge depending on whether they hold contract/common or private carrier status; these rates compare to the 0.25% of gross receipts ceiling for other utilities. Iowa's non-rate-regulated public utilities, including railroads and motor carriers, are subject to 50% of the rate that is applied to rate-regulated utilities, which cannot exceed 0.1% of gross receipts. Railroads, motor carriers, and air carriers are taxed at the same rate as other public utilities in Missouri, Montana, and Oregon; only air carriers using aircraft greater than 75,000 lbs are subject to the tax. Wisconsin also includes railroad, motor carrier, and air carrier companies in its regulatory commission levy, but motor common carriers are preferentially treated; a 0.07% of gross receipts ceiling is applied to motor carriers, whereas the ceiling for other utility companies is 1% of gross receipts. All land and water carriers not engaged solely in interstate commerce are equally subject to regulatory commission fees in Alabama. Colorado railroads, air carriers, and other public utilities are required to pay an annual report fee (domestic companies - \$45, foreign companies - \$200) to defray the costs of the Public Service Commission. California levies a regulatory assessment only on freight carriers, at the rate of 3.33% of gross receipts plus a \$40 annual report fee.

In Delaware, only motor carriers are included with public utilities that are subject to a regulatory commission assessment (0.2% of gross receipts).

Sales and Use Taxes

In all but 5 states, state sales and use taxes are imposed (Alaska, Delaware, Montana, New Hampshire, and Oregon). In addition, local sales and use taxes are imposed, at the option of localities, in 20 states (Arizona, Arkansas, Georgia, Illinois, Louisiana, Minnesota, Missouri, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma,

Pennsylvania, South Dakota, Tennessee, Texas, Virginia, and Wyoming). In Alaska, there is no state sales and use tax, but there is a local sales tax, while Utah's county sales and use tax is uniformly levied statewide. Delaware does not impose a sales tax, but 2% of all leases of tangible personal property is collected as a use tax. In Montana, new motor vehicles are subject to a state sales tax for the support of the state highway fund.

As shown in Table 5, sales and use tax exemptions are available in 47 states. Nineteen of these grant exemptions relatively uniformly for all carriers: Alaska, District of Columbia, Georgia, Hawaii, Idaho, Indiana, Kentucky, Maine, Maryland, Nebraska, New Jersey, North Carolina, Ohio, Pennsylvania, Utah, Vermont, Virginia, Washington, and West Virginia. Seven additional states allow exemptions for all types of carriers (Alabama, Illinois, Missouri, New York, South Dakota, Wisconsin, and Wyoming) but do so on an irregular basis. Exemptions for carriers other than motor carriers exist in Arkansas, California, Massachusetts, Tennessee, and Texas, while carriers other than air carriers enjoy exemptions in Michigan, and exemptions in Arizona and Kansas apply to carriers other than water carriers. Railroads and one other carrier class are allowed sales and use tax exemptions in six states: motor carriers in Iowa and New Mexico, air carriers in Minnesota and Oklahoma, and water carriers in Mississippi and South Carolina. Air carrier and water carrier exemptions exist in Louisiana. The remaining six states provide for sales and use tax exemptions for only one type of carrier: Colorado and North Dakota for railroads, Connecticut, Florida, and Nevada for air carriers, and Rhode Island for water carriers.

To summarize, railroads are exempt from the sales and use tax in 38 states, motor carriers are exempt in 27 states, air carriers are exempt in 35 states, and water carriers are exempt in 32 states.

Capital Stock Taxes

Twenty-three of the 25 states that have a capital stock tax apply the tax uniformly to all types of companies. South Carolina and Virginia are exceptions to this practice. South

Carolina railroads are subject to a 0.3% gross receipts franchise tax in lieu of the capital stock tax (0.1% of dollars paid to capital stock and paid-in surpluses) levied against other businesses. Railroads are alone in not being subject to the capital stock tax in Virginia.

Other Taxes and Fees

Seven of the 30 states that impose other taxes and fees include railroad companies in this form of taxation. Pennsylvania uniformly subjects all business enterprises to a corporate loans tax, at the rate of 0.4% of the value thereof; New Jersey requires all businesses to pay an annual report fee. Delaware's railroad taxation policy includes taxes not applied to other companies: 10 cents/passenger carried by steam power, \$100/locomotive, \$25 passenger car, and \$10/freight car; none of these taxes are applied to the railroads paying a flat fee, ranging from \$1,500 to \$50,000. Mississippi subjects railroads and certain other public utilities to supplementary taxes; the railroad privilege tax is based on railroad class and ranges from \$90/first-class track mile to \$5/tenth-class track mile, while telephone companies pay 4 cents/phone and electric, lighting, and power companies are subject to a \$22.50/pole-line-mile assessment. Freight railroads in Nebraska are required to pay 6.7 cents/train mile plus \$100/public grade crossing. A municipal license tax, based on local population size, is imposed on railroads in Florida, Nebraska, and South Carolina.

The tax structure of every state provides for motor vehicle registration fees. However, 26 states impose additional taxes on motor carriers. Arkansas, Georgia, Nebraska, New Hampshire, Oklahoma, Rhode Island, Tennessee, Texas, and Wisconsin require motor carriers to pay an identification fee that ranges from \$5 to \$30 per vehicle, depending on the state involved and the type of carrier; Wisconsin is alone among these states to impose a higher rate for intrastate vehicles (\$30) than for interstate vehicles (\$5). Washington imposes similar fees on motor carriers but does so at a range from \$7 to \$48 per vehicle, depending on vehicle gross weight.

Motor carriers in the remaining 16 states are subject to a variety of taxes. Alabama motor carriers are liable for a mileage tax ranging from 1/4 cent to 1 cent per mile based on vehicle seating capacity. Passenger motor carriers in Colorado are subject to a 1 mill/passenger mile tax, whereas trucks in excess of 6,500 lbs (empty weight) pay 0.8 mills/ton mile (empty weight) plus 2 mills/ton mile (cargo weight). Kentucky has recently legislated a 2.85 cents/mile tax on trucks weighing 60,000 lbs or more. Out-of-state motor carriers in Nevada must pay a highway use tax (\$7/vehicle plus 2.25 cents/mile) unless they are private motor carriers using vehicles of less than 10,000 lbs of unladen weight (which pay \$25/vehicle). New Mexico's foreign motor carriers are subject to a 3 - 8 cents/mile trip fee that varies with the gross weight of the vehicle.

Motor carriers in New York must pay a highway use tax that consists of a mileage component (not applied to omnibus companies) and a fuel use component. The mileage element is based either on gross weight (6-35 mills/mile plus 2 mills/mile for each ton in excess of 38 tons) or on unladen weight (4-27 mills/mile), while the fuel use portion is comprised of: the New York motor fuels tax rate, the state sales and use tax rate, and the highest local sales and use tax rate applied to motor fuels in New York (the aggregate sales and use tax rate applied to motor fuels, exclusive of the motor fuels tax rate, cannot exceed 7%). The fuel use component provides for various credits: motor fuels tax paid in New York, sales tax paid in New York on fuel used for New York activities, and carrier payment of similar foreign fuels tax on fuel purchased in New York (not to exceed the New York motor fuels tax rate).

Fees applied to motor carriers in North Carolina are based on vehicle gross weight and carrier status: motor common carriers of property - \$0.87/100 lbs; motor common carriers of passengers - \$0.56/100 lbs; noncommon carriers - \$0.46 - \$1.15/100 lbs, depending on vehicle gross weight. North Dakota simply taxes all property motor carriers at the rate of \$4/gross ton. Ohio's motor carrier fee is similar to an identification charge (\$30/tractor or \$20/truck), but passenger carriers pay \$4/seat. The highway use tax in Oregon is either a

flat rate per vehicle or a mileage fee based on gross weight; both methods differentiate between diesel-powered carriers (7-75.5 mills/mile or \$160-\$370/vehicle) and gasoline-powered carriers (1.5 - 46 mills/mile or \$40 - \$160/vehicle).

Property motor carriers in South Carolina are treated differently from passenger motor carriers, in that they pay 1/4 mill/ton mile rather than 1/4 cent/seat mile. South Dakota's motor carriers are subject to a vehicle fee based on gross weight that ranges from \$89 to \$254 plus \$40/ton greater than 10 tons. Virginia imposes a tax of \$3/passenger vehicle or \$5/property vehicle plus a tax of 13 cents/gallon of fuel used, with a provision for an 11 cents/gallon motor fuels tax credit. West Virginia taxes passenger motor carriers at \$16.50 - \$57/vehicle, depending on vehicle seating capacity, rather than at the rate for property motor carriers, which ranges from \$12/vehicle to \$57/vehicle plus \$4.50/gross ton in excess of 10 tons. The highway use tax in Wyoming distinguishes between vehicles of more or less than 16,000 lbs (unladen weight), between gas-powered or non-gas-powered vehicles, and between passenger and property carriers. Gasoline-powered vehicles less than 16,000 lbs are taxed from \$6 to \$84/vehicle depending on their unladen weight, while the tax on non-gasoline-powered vehicles in the same class ranges from \$48 to \$144. Motor carrier vehicles greater than 16,000 lbs pay the following mileage taxes: gasoline-powered passenger carriers - \$0.017/mile; gasoline-powered property carriers - \$0.0015/ton mile; non-gasoline-powered carrier vehicles - \$0.0026/ton mile.

Indiana is unique in that it exempts motor carrier vehicles and air and water carrier operating property from the property tax through the payment of excise taxes: motor carrier vehicles - \$12 - \$400/vehicle relative to original cost less depreciation; air carrier aircraft - 5 cents - 9 cents/lb based on class and age; commercial vessels - 3 cents/ton.

Conclusion

When we compare the overall treatment of railroads for tax purposes with the treatment of their major competitors — motor carriers for freight traffic and air carriers

for passenger traffic — we see that, in terms of total taxes and fees, railroads are treated neither better nor worse than the other carriers (see Tables 6 and 7). The situation is almost exactly the same with respect to individual taxes and fees; the exception is the category "other taxes and fees," where railroads are liable for fewer of these than motor carriers.

Where railroads are not treated the same as motor and air carriers, they are usually treated better than the other carriers. With respect to motor carriers, they are treated better in the application of five types of taxes and fees (real property, income or gross receipts, sales and use, capital stock, and other taxes and fees) and are treated worse in the application of two types of taxes (personal property taxes and regulatory assessments). With respect to air carriers, railroads are treated better in the application of four types of taxes (real property, personal property, sales and use, and capital stock) and are treated worse in the application of three types of taxes and fees (income or gross receipts taxes, regulatory assessments, and other taxes and fees).*

In New York State, the tax treatment of railroads, in terms of total taxes and fees, is the same as it is on the average nationwide; railroads are treated neither better nor worse than motor and air carriers. Where railroads are not treated the same as motor and air carriers, however, the pattern in New York State is somewhat different from the national average. Compared to motor carriers, railroads are treated better with respect to real property taxes and other taxes and fees (as they are nationwide), whereas there is no tax with respect to which they are treated worse than motor carriers (unlike the situation nationally); it is not possible to gauge the relative treatment of railroads and motor carriers with respect to sales and use taxes, since the effect of the different types of exemptions

* With respect to real property taxes, however, it should be kept in mind that the actual incident of these taxes, as opposed to statutory liability for them, is likely to be greater for railroads than for motor air carriers, since railroads generally own their rights-of-way while the other carriers operate on the public way.

they are entitled to cannot be evaluated at this time. Compared to air carriers, railroads are treated better with respect to real property taxes (as they are nationwide), but they are treated worse with respect to sales and use taxes (contrary to the situation nationally).

APPENDIX A

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Table 1. Valuation Responsibility

(S - State; L - Local;
S/L - State values operating property, localities value nonoperating property)

State	Railroads	Motor Carriers	Air Carriers	Water Carriers	Industrial Property	Commercial Property
Alabama	S	L	L	L	L	L
Alaska	L	L	L	L	L	L
Arizona	S/L ¹	L	L	L	L	L
Arkansas	S/L	S	S	S	L	L
California	S	L ²	L	L	L	L
Colorado	S/L	L	S	L	L	L
Connecticut	L	L	L	L	L	L
Delaware	L	L	L	L	L	L
Dist. of Columbia	L	L	L	L	L	L
Florida	S/L	L	L	L	L	L
Georgia	S	L	S	S	L	L
Hawaii	L	L	L	L	L	L
Idaho	S/L	L	L	L	L	L
Illinois	S/L	L	L	L	L	L
Indiana	S/L ³	S/L ³	S/L ³	S/L ³	L	L
Iowa	S/L	L	L	L	L	L
Kansas	S/L	S/L	S/L	S/L	L	L
Kentucky	S/L	S/L ⁴	S/L	S/L	L	L
Louisiana	S/L	L	L	L	L	L
Maine	L	L	L	L	L	L
Maryland	S	S/L	S/L	S/L	L	L
Massachusetts	L	L	L	L	L	L
Michigan	S/L	S/L	S/L	S/L	L	L
Minnesota	S/L	L	S	L	L	L
Mississippi	S	L	S	L	L	L
Missouri	S/L	L	L	L	L	L
Montana	S/L ⁵	L	S	L	L	L
Nebraska	S/L	L	L	L	L	L
Nevada	S/L	S/L	S/L	S/L	L	L
New Hampshire	S/L	L	L	L	L	L

Table 1. Valuation Responsibility

(S - State; L - Local;
S/L - State values operating property, localities value nonoperating property)

State	Railroads	Motor Carriers	Air Carriers	Water Carriers	Industrial Property	Commercial Property
New Jersey	S/L	L	L	L	L	L
New Mexico	S	L	S	L	L	L
New York	S/L	L	L	L	L	L
North Carolina	S	L	S	L	L	L
North Dakota	S/L	S	S/L	L	L	L
Ohio	S/L	L	L	S/L	L	L
Oklahoma	S	S/L ⁶	S/L ⁶	S/L ⁶	L	L
Oregon	S	L	L ⁷	L ⁸	L	L
Pennsylvania	S/L	L	L	L	L	L
Rhode Island	L	L	L	L	L	L
South Carolina	S	L	S	S	S, L	S, L
South Dakota	S/L	L	L	L	L	L
Tennessee	S/L	L	S/L	S/L	L	L
Texas	S/L ⁹	S/L ⁹	L	L	L	L
Utah	S/L ¹⁰	S/L ¹⁰	S/L ¹⁰	S/L ¹⁰	L	L
Vermont	S/L	L	L	L ¹¹	L	L
Virginia	S	L	L	L	L	L
Washington	S/L ¹⁰	S/L ¹⁰	S/L ¹⁰	S/L ¹⁰	L	L
West Virginia	S/L	L	S/L	S/L	L	L
Wisconsin	S/L	S/L	S/L	S/L	S/L ¹²	L
Wyoming	S/L	S	S	S	L	L

¹ Nonoperating realty - L, remaining property - S

² "Stage Line" operating property - S, remaining property - L

³ Distributable property - S, fixed property - L

⁴ Operating motor vehicles - S, remaining property - L

⁵ Fixed real and tangible property - L, remaining property - S

⁶ Common carrier property - S, other property - L

⁷ Aircraft greater than 75,000 lbs - S, remaining property - L

⁸ Watercraft engaged in interstate commerce - S, remaining property - L

⁹ Intangible property - S, remaining property - L

¹⁰ Intercounty operating property - S, remaining property - L

¹¹ Steamboat carrier operating property - S, remaining property - L

¹² Manufacturers' property - S, remaining property - L

Table 2. Assessment Levels of Real/Personal Property
(Percentage of Full Value)

(LD - Locally determined, percentage not specified by statute; N - Not taxed)

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industrial	Commercial
Michigan	50/50	50/50	50/50	50/50	50/50	50/50
Minnesota	43/438	43/439	43/438	43/439	43/439	43/439
Mississippi	100/100	100/100	100/100	100/100	100/100	100/100
Missouri	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3
Montana	16/16	16/16	16/16	16/16	16/16	16/16
Nebraska	100/100	100/100	100/100	100/100	100/100	100/100
Nevada	35/35	35/35	35/35	35/35	35/35	35/35
New Hampshire	100/100	100/100	100/100	100/100	100/100	100/100
New Jersey	LD	LD	LD	LD	LD	LD
New Mexico	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3	33-1/3/33-1/3
New York	LD/N	LD/N	LD/N	LD/N	LD/N	LD/N
North Carolina	55/55	LD	LD	LD	LD	LD
North Dakota	10/10	10/10	13/13 ¹⁰	10/10	10/10	10/10
Ohio	35/35	35/35	35/35	35/35	35/35	35/35
Oklahoma	12/12	12/12	12/12	12/12	12/12	12/12
Oregon	LD	LD	LD	LD/40 ¹¹	LD	LD
Pennsylvania	LD	LD	LD	LD	LD	LD
Rhode Island	LD	LD	LD	LD	LD	LD
South Carolina	9.5/9.5	9.5/9.5	9.5/9.5	9.5/9.5	6/10.5	6/10.5
South Dakota	60/60	60/60	60/60	60/60	60/N	60/N
Tennessee	55/55	55/55	55/55	55/55	40/30	40/30
Texas	100/100	100/100	100/100	100/100	100/100	100/100

Table 2. Assessment Levels of Real/Personal Property
(Percentage of Full Value)

(LD - Locally determined, percentage not specified by statute; N - Not taxed)

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industrial	Commercial
Utah	20/20	20/20	20/20	20/20	20/20	20/20
Vermont	50/50	50/50	50/50	50/50	50/50	50/50
Virginia	100/100	100/100	100/100	100/100	100/100	100/100
Washington	100/100	100/100	100/100	100/100	100/100	100/100
West Virginia	LD ¹²					
Wisconsin	100/100	100/100	100/100	100/100	100/100	100/100
Wyoming	25/25	25/25	25/25	25/25	25/25	25/25

1 Average of utility, industrial and commercial classes

2 1980 level to decrease to 25% by 1992

3 Percentage determined by Public Service Commission, not to exceed 20%

4 Average of industrial and commercial assessment ratios for preceding year

5 Vessels of an interstate company are assessed at a value equal to its net earnings

6 Real property not to be assessed greater than 60%

7 Except in counties with populations greater than 200,000 that elect a classified system (Cook) - 40%

8 40% of first \$50,000 of real property value (1 parcel per county per company)

9 40% of first \$50,000 of real property value (1 parcel per county per company)

10 Operating property to decrease to 10% by 1985; nonoperating - 10/10

11 Ships with Oregon home ports that ply the high seas - 4%

12 Intangible personalty at 100% true value in money

Table 3. Taxes Paid

(Y - Yes; N - No; * - exemption allowed)

State	Carrier	Real Property		Personal Property		Income	Gross Receipts	Regulatory	Sales and Use	Capital Stock	Other (see state profile)
		State	Local	State	Local						
Alabama	Rail	Y	Y	N	Y	N	Y	Y	Y*	Y	N
	Motor	Y	Y	N	Y	N	Y	Y	Y*	Y	Y
	Air	Y	Y	N	Y	N	Y	N	Y*	Y	N
	Water	Y	Y	N	Y	N	Y	Y	Y*	Y	N
Alaska	Rail	N	Y	N	Y	N	N	N	Y*	N	N
	Motor	N	Y	N	Y	N	N	N	Y*	N	N
	Air	N	Y	N	Y	N	N	N	Y*	N	N
	Water	N	Y	N	Y	N	N	N	Y*	N	N
Arizona	Rail	N	Y	N	Y	Y	N	N	Y*	N	N
	Motor	N	Y	N	Y	Y	Y	N	Y*	N	N
	Air	N	Y	N	Y	Y	N	N	Y*	N	N
	Water	N	Y	N	Y	Y	N	N	Y*	N	N
Arkansas	Rail	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Motor	N	Y	N	Y	Y	N	Y	Y*	Y	Y
	Air	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	N	Y	Y*	Y	N
California	Rail	N	Y	N	Y	Y	N	Y	Y*	N	N
	Motor	N	Y	N	Y	Y	Y	Y	Y*	N	N
	Air	N	Y	N	Y	Y	N	Y	Y*	N	N
	Water	N	Y	N	Y	Y	N	Y	Y*	N	N
Colorado	Rail	N	Y	N	Y	Y	N	Y	Y*	N	N
	Motor	N	Y	N	Y	Y	N	N	Y*	N	Y
	Air	N	Y	N	Y	Y	N	Y	Y*	N	N
	Water	N	Y	N	Y	Y	N	N	Y*	N	N
Connecticut	Rail	N	Y*	N	Y*	N	Y*	Y	Y*	N	N
	Motor	N	Y	N	Y	Y	N	N	Y*	N	N
	Air	N	Y	N	Y	Y	N	N	Y*	N	N
	Water	N	Y	N	Y	Y	N	N	Y*	N	N
Delaware	Rail	N	Y*	N	N	Y**	N	N	Y	Y**	Y
	Motor	N	Y	N	N	Y	N	Y	Y	Y	N
	Air	N	Y	N	N	Y	N	N	Y	Y	N
	Water	N	Y	N	N	Y	N	N	Y	Y	N
District of Columbia	Rail	N	Y	N	Y	Y	N	N	Y*	Y	N
	Motor	N	Y	N	Y	Y	N	N	Y*	Y	N
	Air	N	Y	N	Y	Y	N	N	Y*	Y	N
	Water	N	Y	N	Y	Y	N	N	Y*	Y	N

** Not applied to five major railroads that pay an annual flat fee.

Table 3. Taxes Paid

(Y - Yes; N - No; * - exemption allowed)

State	Carrier	Real Property		Personal Property		Income	Gross Receipts	Regulatory	Sales and Use	Capital Stock	Other (see state profile)
		State	Local	State	Local						
Florida	Rail	N	Y	Y	Y	Y	N	Y	Y*	N	Y
	Motor	N	Y	Y	Y	Y	N	N	Y*	N	N
	Air	N	Y	Y	Y	Y	N	N	Y*	N	Y
	Water	N	Y	Y	Y	Y	N	N	Y*	N	N
Georgia	Rail	N	Y**	N	Y**	Y	N	Y	Y**	Y**	N
	Motor	N	Y	N	Y	Y	N	Y	Y*	Y	Y
	Air	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	N	Y	Y*	Y	N
Hawaii	Rail	N	Y*	N	N	Y	N	Y	Y*	N	N
	Motor	N	Y*	N	N	Y	N	Y	Y*	N	N
	Air	N	Y*	N	N	Y	N	Y	Y*	N	N
	Water	N	Y*	N	N	Y	N	Y	Y*	N	N
Idaho	Rail	N	Y	N	Y	Y	N	Y	Y*	N	N
	Motor	N	Y	N	Y	Y	N	Y	Y*	N	N
	Air	N	Y	N	Y	Y	N	Y	Y*	N	N
	Water	N	Y	N	Y	Y	N	Y	Y*	N	N
Illinois	Rail	N	Y	N	N	Y	Y	Y	Y*	N	N
	Motor	N	Y	N	N	Y	Y	N	Y*	N	N
	Air	N	Y	N	N	Y	Y	N	Y*	N	N
	Water	N	Y	N	N	Y	Y	N	Y*	N	N
Indiana	Rail	N	Y	N	Y	Y	N	Y	Y*	N	N
	Motor	N	Y	N	Y*	Y	N	Y	Y*	N	Y
	Air	N	N	N	N	Y	N	Y	Y*	N	Y
	Water	N	N	N	N	Y	N	Y	Y*	N	Y
Iowa	Rail	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Motor	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Air	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	N	Y	Y*	Y	N
Kansas	Rail	N	Y	Y	Y	Y	N	N	Y*	Y	N
	Motor	N	Y	Y	Y	Y	N	N	Y*	Y	N
	Air	N	Y	Y	Y	Y	N	N	Y*	Y	N
	Water	N	Y	Y	Y	Y	N	N	Y*	Y	N
Kentucky	Rail	Y	Y	Y	Y	Y	N	N	Y*	N	N
	Motor	Y	Y	Y	Y	Y	N	N	Y*	N	Y
	Air	Y	Y	Y	Y	Y	N	N	Y*	N	N
	Water	Y	Y	Y	Y	Y	N	N	Y*	N	N
Louisiana	Rail	N	Y	N	Y	N	Y	N	Y*	Y	N
	Motor	N	Y	N	Y	N	Y	N	Y*	Y	N
	Air	N	Y	N	Y*	Y	N	N	Y*	Y	N
	Water	N	Y	N	Y	N	Y	N	Y*	Y	N

** In addition to exemptions available to all railroads, the Georgia Railroad Company is subject to 0.5% net earnings tax in lieu of all other taxes.

Table 3. Taxes Paid

(Y - Yes; N - No; * - exemption allowed)

State	Carrier	Real Property		Personal Property		Income	Gross Receipts	Regulatory	Sales and Use	Capital Stock	Other (see state profile)
		State	Local	State	Local						
Maine	Rail	N	Y*	N	Y	N	Y*	N	Y*	N	N
	Motor	N	Y	N	Y	Y	N	N	Y*	N	N
	Air	N	Y	N	Y	Y	N	N	Y*	N	N
	Water	N	Y	N	Y	Y	N	N	Y*	N	N
Maryland	Rail	N	Y	N	Y*	N	Y	Y	Y*	N	N
	Motor	N	Y	N	Y*	N	Y	Y	Y*	N	N
	Air	N	Y	N	Y*	N	Y	Y	Y*	N	N
	Water	N	Y	N	Y*	N	Y	Y	Y*	N	N
Massachusetts	Rail	N	Y*	N	Y	Y	N	N	Y*	N	N
	Motor	N	Y*	Y	Y	Y	N	N	Y*	N	N
	Air	N	Y*	Y	Y	Y	N	N	Y*	N	N
	Water	N	Y*	Y	Y	Y	N	N	Y*	N	N
Michigan	Rail	Y	Y*	Y	Y*	Y	N	Y	Y*	N	N
	Motor	N	Y	Y	Y	Y	N	Y	Y*	N	N
	Air	N	Y	Y	Y	Y	N	Y	Y*	N	N
	Water	N	Y*	Y	Y*	Y	N	Y	Y*	N	N
Minnesota	Rail	N	Y	N	Y*	Y	N	N	Y*	N	N
	Motor	N	Y	N	Y*	Y	N	N	Y*	N	N
	Air	N	Y	N	Y*	Y	N	N	Y*	N	N
	Water	N	Y	N	Y	Y	N	N	Y*	N	N
Mississippi	Rail	N	Y	N	Y	Y	N	N	Y*	N	Y
	Motor	N	Y	N	Y*	Y	N	N	Y*	N	N
	Air	N	Y	N	Y	Y	N	N	Y*	N	N
	Water	N	Y	N	Y	Y	N	N	Y*	N	N
Missouri	Rail	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Motor	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Air	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	N	N	Y*	Y	N
Montana	Rail	N	Y	N	Y	Y	N	Y	N	N	N
	Motor	N	Y	N	Y	Y	N	Y	Y	N	N
	Air	N	Y	N	Y	Y	N	Y	N	N	N
	Water	N	Y	N	Y	Y	N	N	N	N	N
Nebraska	Rail	N	Y	N	Y	Y	N	N	Y*	Y	Y
	Motor	N	Y	N	Y	Y	N	N	Y*	Y	Y
	Air	N	Y	N	Y	Y	N	N	Y*	Y	N
	Water	N	Y	N	Y	Y	N	N	Y*	Y	N
Nevada	Rail	N	Y	N	Y*	N	N	Y	Y*	N	N
	Motor	N	Y	N	Y*	N	N	Y	Y*	N	Y
	Air	N	Y	N	Y	N	N	Y	Y*	N	N
	Water	N	Y	N	Y	N	N	Y	Y*	N	N

Table 3. Taxes Paid

(Y - Yes; N - No; * - exemption allowed)

State	Carrier	Real Property		Personal Property		Income	Gross Receipts	Regulatory	Sales and Use	Capital Stock	Other (see state profile)
		State	Local	State	Local						
New Hampshire	Rail	N	Y	N	Y*	Y	N	N	Y	N	N
	Motor	N	Y	N	Y	Y	N	N	Y	Y	Y
	Air	N	Y	N	Y	Y	N	N	Y	Y	N
	Water	N	Y	N	Y	Y	N	N	Y	Y	N
New Jersey	Rail	N	Y*	N	Y*	Y	N	Y	Y*	N	Y
	Motor	N	Y	N	Y	Y	N	Y	Y*	N	N
	Air	N	Y	N	Y	Y	N	Y	Y*	N	N
	Water	N	Y	Y	Y	Y	N	Y	Y*	N	N
New Mexico	Rail	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Motor	N	Y	N	Y	Y	N	Y	Y*	Y	Y
	Air	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	N	Y	Y*	Y	N
New York	Rail	N	Y*	N	N	N	Y	N	Y*	Y	N
	Motor	N	Y	N	N	N	Y	N	Y*	Y	Y
	Air	N	Y	N	N	N	Y	N	Y*	Y	N
	Water	N	Y	N	N	N	Y	N	Y*	Y	N
North Carolina	Rail	N	Y	N	Y	Y	N	N	Y*	Y*	N
	Motor	N	Y	N	Y	Y	N	N	Y*	Y	Y
	Air	N	Y	N	Y	Y	N	N	Y*	Y	N
	Water	N	Y	N	Y	Y	N	N	Y*	Y	N
North Dakota	Rail	N	Y	N	Y	Y	N	N	Y*	N	N
	Motor	N	Y	N	Y	Y	N	N	Y*	N	Y
	Air	N	Y	N	Y	Y	N	N	Y*	N	N
	Water	N	Y	N	Y	Y	N	N	Y*	N	N
Ohio	Rail	N	Y	Y	Y	N	Y	Y	Y*	N	N
	Motor	N	Y	Y	Y	Y	N	Y	Y*	N	Y
	Air	N	Y	Y	Y	Y	N	Y	Y*	N	N
	Water	N	Y	Y	Y	Y	N	Y	Y*	N	N
Oklahoma	Rail	N	Y	N	Y	Y	N	N	Y*	Y	N
	Motor	N	Y	N	Y	Y	N	N	Y*	Y	Y
	Air	N	Y	N	Y	Y	N	N	Y*	Y	N
	Water	N	Y	N	Y	Y	N	N	Y*	Y	N
Oregon	Rail	N	Y	N	Y*	Y	N	N	N	Y	N
	Motor	N	Y	N	Y	Y	N	N	N	Y	Y
	Air	N	Y	N	Y	Y	N	N	N	Y	N
	Water	N	Y	N	Y	Y	N	N	N	Y	N
Pennsylvania	Rail	Y*	Y*	Y	Y*	Y	Y*	Y	Y*	Y	Y
	Motor	N	Y	Y	Y	Y	Y*	Y	Y*	Y	Y
	Air	N	Y	Y	Y	Y	Y*	Y	Y*	Y	Y
	Water	N	Y	Y	Y	Y	Y*	Y	Y*	Y	Y

Table 3. Taxes Paid

(Y - Yes; N - No; * - exemption allowed)

State	Carrier	Real Property		Personal Property		Income	Gross Receipts	Regulatory	Sales and Use	Capital Stock	Other (see state profile)
		State	Local	State	Local						
Rhode Island	Rail	N	Y	N	Y	N	Y	Y	Y*	Y	N
	Motor	N	Y	N	Y	N	Y	Y	Y*	Y	Y
	Air	N	Y	N	Y	N	Y	Y	Y*	Y	N
	Water	N	Y*	N	Y*	N	Y	Y	Y*	Y	N
South Carolina	Rail	N	Y	N	Y	Y	Y	Y	Y*	N	Y
	Motor	N	Y	N	Y	Y	N	Y	Y*	Y	Y
	Air	N	Y	N	Y	Y	N	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	Y	Y	Y*	Y	N
South Dakota	Rail	Y	Y*	Y	Y	N	N	N	Y*	Y	N
	Motor	Y	Y	N	Y	N	N	N	Y*	Y	Y
	Air	Y	Y	Y	Y	N	N	N	Y*	Y	N
	Water	Y	Y	N	Y	N	N	N	Y*	Y	N
Tennessee	Rail	N	Y	N	Y	Y	Y**	Y	Y*	Y	N
	Motor	N	Y	N	Y	Y	Y**	N	Y*	Y	Y
	Air	N	Y	N	Y	Y	Y**	N	Y*	Y	N
	Water	N	Y	N	Y	Y	Y**	N	Y*	Y	N
Texas	Rail	N	Y	N	Y	N	N	Y	Y*	Y	N
	Motor	N	Y	N	Y	N	N	Y	Y*	Y	Y
	Air	N	Y	N	Y	N	N	Y	Y*	Y	N
	Water	N	Y	N	Y	N	N	Y	Y*	Y	N
Utah	Rail	N	Y	N	Y	Y	N	Y	Y*	N	N
	Motor	N	Y	N	Y	Y	N	Y	Y*	N	N
	Air	N	Y	N	Y	Y	N	Y	Y*	N	N
	Water	N	Y	N	Y	Y	N	Y	Y*	N	N
Vermont	Rail	Y	Y*	Y	Y*	N	N	Y	Y*	N	N
	Motor	N	Y	N	Y	Y*	N	Y	Y*	N	N
	Air	N	Y	N	Y	Y	N	Y	Y*	N	N
	Water	Y*	Y	Y*	Y	Y	N	Y	Y*	N	N
Virginia	Rail	N	Y	N	Y*	Y	Y	Y	Y*	N	N
	Motor	N	Y	N	Y	Y	Y	Y	Y*	Y	Y
	Air	N	Y	N	Y	Y	Y	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	Y	Y	Y*	Y	N
Washington	Rail	N	Y	N	Y*	N	Y	Y	Y*	N	N
	Motor	N	Y	N	Y	N	Y	Y	Y*	N	Y
	Air	N	Y	N	Y	N	Y	Y	Y*	N	N
	Water	N	Y	N	Y	N	Y	Y	Y*	N	N
West Virginia	Rail	N	Y	N	Y	Y	Y	Y	Y*	Y	N
	Motor	N	Y	N	Y	Y	Y	Y	Y*	Y	Y
	Air	N	Y	N	Y	Y	Y	Y	Y*	Y	N
	Water	N	Y	N	Y	Y	Y	Y	Y*	Y	N

** Taxpayer option exists to pay a flat rate based on capital stock as a substitute tax.

Table 3. Taxes Paid

(Y - Yes; N - No; * - exemption allowed)

State	Carrier	Real Property		Personal Property		Income	Gross Receipts	Regulatory	Sales and Use	Capital Stock	Other (see state profile)
		State	Local	State	Local						
Wisconsin	Rail	Y	Y	N	Y	N	N	Y	Y*	N	N
	Motor	Y	Y	N	Y*	Y	N	Y	Y*	N	Y
	Air	Y	Y	N	Y	Y	N	Y	Y*	N	N
	Water	Y	Y	N	Y*	Y	N	Y	Y*	N	Y
Wyoming	Rail	Y	Y	N	Y	N	N	Y	Y*	Y	N
	Motor	Y	Y	N	Y	N	N	Y	Y*	Y	Y
	Air	Y	Y	N	Y	N	N	Y	Y*	Y	N
	Water	Y	Y	N	Y	N	N	Y	Y*	Y	N

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
Alabama	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Alaska	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Arizona	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Arkansas	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
California	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Colorado	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Connecticut	Rail	Operating property	Operating property	None
	Motor	None	None	None
	Air	None	Tangible personal property	None
	Water	None	None	None

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
Delaware	Rail	Land within right-of-way		
	Motor	None	Not applicable	None
	Air	None	Not applicable	None
	Water	None	Not applicable	None
Dist. of Columbia	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Florida	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Georgia	Rail	Georgia Railroad Company property	Georgia Railroad Company property	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Hawaii	Rail	Operating property	Not applicable	None
	Motor	Operating property	Not applicable	None
	Air	Operating property	Not applicable	None
	Water	Operating property	Not applicable	None
Idaho	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Illinois	Rail	None	Not applicable	None
	Motor	None	Not applicable	None
	Air	None	Not applicable	None
	Water	None	Not applicable	None

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
Indiana	Rail	None	None	None
	Motor	None	Motor vehicles subject to vehicle excise tax	None
Iowa	Air	Operating property	Operating property	None
	Water	Operating property	Operating property	None
	Rail	None	None	None
	Motor	None	None	None
Kansas	Air	None	None	None
	Water	None	None	None
	Rail	None	None	None
	Motor	None	None	None
Kentucky	Air	None	None	None
	Water	None	None	None
	Rail	None	Irregular route common carrier vehicles	None
Louisiana	Motor	None	None	None
	Air	None	Motor vehicles	None
	Water	None	None	None
	Rail	None	Gasoline powered boats; ships registered in state engaged in overseas trade	None
Maine	Rail	Land within right-of-way	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
Maryland	Rail	None	Rolling stock and repair parts (IC)*	None
	Motor	None	Motor vehicles and repair parts (IC)	None
	Air	None	Aircraft (IC)	None
	Water	None	Watercraft not greater than 100 (IC)	None
Massachusetts	Rail	60% of real estate taxes paid in 1961-1963 from current year if net income for each of 3 years preceding claim was \$25,000 or less; Land within right-of-way	None	None
	Motor	None	None	None
	Air	None	None	None
Michigan	Water	None	None	None
	Rail	Operating property (local general taxes only)	Operating property (local general taxes only)	25% of right-of-way maintenance expenses is credited against property tax
	Motor	None	None	None
Minnesota	Air	None	None	None
	Water	All property	All property	None
	Rail	None	Rolling stock	None
Motor	None	Registered motor vehicles	Registered motor vehicles	None
	Air	None	Registered aircraft	None
	Water	None	None	None

* (IC) = if engaged in interstate commerce

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
Mississippi	Rail	None	None	None
	Motor	None	Motor vehicles	None
	Air	None	None	None
	Water	None	None	None
Missouri	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Montana	None	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Nebraska	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Nevada	Rail	Operating property in state preservation program while service on line is discontinued	None	None
	Motor	None	Motor vehicles subject to registration fee	None
	Air	None	None	None
	Water	None	None	None
New Hampshire	Rail	Operating property less than 10 years old; Governor can exempt any property after consultation with State Tax Commission	Operating property less than 10 years old; Governor can exempt any property after consultation with State Tax Commission	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
New Jersey	Rail	Operating property (local general taxes only); land within right-of-way	Operating property (local general taxes only);	None
	Motor	None	None	None
	Air Water	None None	None None	None None
New Mexico	Rail	None	None	None
	Motor	None	None	None
	Air Water	None None	Registered aircraft None	None None
New York	Rail	Operating property of rail- roads subsidized by federal or state governments; certain passenger stations and related property in cities with popula- tion greater than 1 million; certain newly constructed bridges, viaducts, and similar structures; certain grade cross- ing improvements and replace- ment of facilities used for transportation purposes; value of operating property exceeding state ceiling assessment	Not applicable	None
	Motor	None	Not applicable	None
	Air Water	None None	Not applicable Not applicable	None None
North Carolina	Rail	None	None	None
	Motor	None	None	None
	Air Water	None None	None None	None None

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
North Dakota	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Ohio	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Oklahoma	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Oregon	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Pennsylvania	Rail	Operating property (local general taxes, except Philadelphia/Pittsburgh operating property, excluding right-of-way	None	25% of right-of-way maintenance and improvement costs is credited against the gross receipts tax
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Rhode Island	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	Vessels in foreign commerce	None

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
South Carolina	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
South Dakota	Rail	None	None	100% of right-of-way and track maintenance costs credited against property tax in each of the next three years
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
		None	None	None
Tennessee	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Texas	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Utah	Rail	None	None	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Vermont	Rail	Operating property (local general taxes only)	Operating property (local general taxes only)	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None

Table 4. Transportation Company Property Tax Exemptions and Credits

State	Carrier	Real Property Tax Exemptions	Personal Property Tax Exemptions	Maintenance Credits
Virginia	Rail	None	Rolling stock (local general taxes only)	None
	Motor	None	None	None
	Air	None	None	None
	Water	None	None	None
Washington	Rail	None	None	None
	Motor	None	Motor vehicles subject to motor vehicle excise tax (local general taxes only)	None
West Virginia	Air	None	None	None
	Water	None	None	None
	Rail	None	None	None
	Motor	None	None	None
Wisconsin	Air	None	None	None
	Water	None	None	None
	Rail	None	None	None
	Motor	None	Motor vehicles	None
Wyoming	Air	None	None	None
	Water	None	Vessels (IC)	None
	Rail	None	None	None
	Motor	None	None	None

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Alabama	Transportation, natural gas, water, and electricity from a PSC rate-regulated public utility; pure services (no materials furnished); motor fuels subject to motor fuels tax	Operating fuel	Aircraft sold and built in-state but not domiciled therein; operating fuel	Vessels greater than 50 tons built in-state and equipment that becomes part of it; vessels rentals (IC); supplies of vessels that ply the high seas (IC); operating fuel	Manufacturing and processing materials that become part of finished product; manufacturing fuel
Alaska				Motor fuels subject to motor fuels tax; no use tax levied	
Arizona	No other	No other	No other	No other	Manufacturing and processing materials that become part of finished product or are consumed in the process
Arkansas	Common or contract motor carrier services; transportation services (IC); services where tangible personal property is inconsequential part of sale; motor fuels subject to motor fuels tax	Buses of companies holding federal or state certificate of public convenience	Aircraft and maintenance/repair parts to holder of certificate of public convenience	No other	Manufacturing and processing materials that become part of finished product; machinery and equipment used in industrial process
	Maintenance and repair parts	No other	Maintenance and repair parts	Fuel for vessels of 50 tons or greater	Manufacturing and processing materials that become part of finished product

* (IC) = Engaged in interstate commerce

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
California	Natural gas, electricity, water, steam and telephone services from a public utility; services where tangible personal property is inconsequential part of sale				
	Freight cars and their maintenance/repair parts (IC)	No other	Common carrier aircraft	Watercraft and its maintenance/repair parts (IC)	Manufacturing and processing materials that become part of finished product
Colorado					
	Fuels and electricity for railroad transportation services	No other	No other		Manufacturing and processing materials that become part of finished product; machinery and equipment used in industrial process with a value greater than \$400,000 (after 1982 - \$500,000)
Connecticut					
	Natural gas, electricity, water, steam, and telephone services from a public utility; motor fuels subject to motor fuels tax				
	No other	No other	Aircraft built in-state (IC)	No other	Manufacturing and processing materials, tools, supplies, equipment, and machinery directly used in industrial process; manufacturing fuel
District of Columbia					
	Tangible personal property owned and held by railroads for use outside D.C. (IC) is not subject to use tax	Tangible personal property owned and held by common carriers for use outside D.C. (IC) is not subject to use tax	Tangible personal property owned and held by common carriers for use outside D.C. (IC) is not subject to use tax	Tangible personal property owned and held by common carriers for use outside D.C. (IC) is not subject to use tax	Manufacturing and processing materials that become part of finished product; manufacturing fuels

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Florida	----- Personal services where tangible personal property is inconsequential part of sale; motor fuels subject to motor fuels tax -----				
	No other	No other	Aircraft to PSC regulated air carrier	No other	Manufacturing and processing materials that become part of finished product; manufacturing fuel; sales and use tax greater than \$100,000 for machinery and equipment for manufacturing expansion; new business machinery and equipment at fixed locations in-state
Georgia	----- Freight transportation services; motor fuels subject to motor fuels tax -----				
	Rolling stock and its repair parts (IC)	Motor vehicles and their repair parts sold to common carriers (IC)	Aircraft and its repair parts sold to common carriers (IC)	Watercraft and its repair parts sold to common carriers (IC); fuel and supplies for watercraft (IC)	Manufacturing and processing materials that become part of finished product or are consumed in the process
Hawaii	----- Services, in general, and common or contract carrier transportation services, in particular -----				
	Railroad operating purchases	Common and contract motor carrier operating purchases	Common and contract air carrier operating purchases; leased aircraft to common or contract air carrier is exempt from use tax	Common and contract water carrier operating purchases; leased vessels to common or contract water carrier is exempt from use tax	Manufacturing materials, tools, equipment, and machinery used in industrial process are exempt from use tax
Idaho	----- Repair services separately billed; motor fuels subject to motor fuels tax -----				
	No other	No other	No other	No other	Manufacturing and processing materials, tools, equipment, and machinery used in industrial process

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Illinois	----- Natural gas, electricity, water, steam, and telephone services from a public utility; transportation services separately billed				
	Rolling stock (IC)	Motor vehicle rentals; rolling stock of common carriers (IC)	Aircraft (IC)	Fuel for vessel on rivers bordering Illinois	Manufacturing and processing materials that become part of finished product; machinery, equipment and repair parts 1982 - 81.25% exempt; 1983 - 93.75% exempt; after 1983 - 100% exempt
Indiana	----- Services, in general, and transportation services of ICC/PSC/CAB public carriers, in particular				
	Tangible personal property sold to ICC/PSC public carriers	Tangible personal property sold to ICC/PSC public carriers	Tangible personal property sold to ICC/CAB public carriers	Tangible personal property sold to ICC/PSC public carriers	Manufacturing and processing materials, equipment, tools, and machinery used in industrial process
Iowa	----- Sales of rolling stock and its repair parts	Buses of foreign companies (IC)	No other	No other	Manufacturing and processing materials that become part of finished product; manufacturing fuel
	----- Transportation services; motor fuels subject to motor fuels tax				
Kansas	Rolling stock and all purchases for direct railroad use (IC)	Common carrier rolling stock and fuel (IC)	Aircraft and fuel (IC)	No other	Manufacturing and processing materials that become part of a retail product or are consumed in the process; public utility purchases used in process of manufacturing retail product

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Kentucky	All services separately itemized, in general, and intrastate transportation services, in particular; motor fuels subject to motor fuels tax				
	Rolling stock and fuel (IC)	Rolling stock entering Kentucky in interstate commerce (IC); trailers and semi-trailers	Aircraft entering Kentucky in interstate commerce (IC)	Watercraft entering Kentucky in interstate commerce (IC)	Manufacturing and processing materials that become part of finished product; manufacturing fuel in excess of 3% of cost of production; machinery for new and expanding industry
Louisiana		----- Natural gas, water, and stream; motor fuels subject to motor fuels tax -----			
Maine	No other	No other	Aircraft and its equipment and repair parts for a commuter airline register in-state	Vessels greater than 50 tons and their repair parts built in-state; vessels supplies and materials (IC)	Manufacturing and processing materials that become part of finished product
	Rolling stock used not less than 80% in interstate commerce over a 2 year period	Motor vehicles used not less than 80% in interstate commerce over a 2 year period; truck bodies and trailers built in-state	Aircraft used not less than 80% in interstate commerce over a 2 year period	Watercraft used not less than 80% in interstate commerce over a 2 year; fuel oil (IC)	Manufacturing and processing materials with a useful life not greater than 1 year that become part of finished product or are consumed in the process; new machinery and equipment to produce retail product
Maryland		----- Transportation services; repair services separately billed; motor fuels subject to motor fuels tax -----			
	Rolling stock and its repair parts (IC)	Motor vehicles and their repair parts (IC)	Aircraft and its repair parts (IC); aviation fuel	Watercraft and its repair parts (IC)	Manufacturing and processing materials that become part of retail product or are consumed in the process; manufacturing fuel, machinery and equipment

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Massachusetts	Natural gas, water, electricity, and telephone services from a public utility; transportation services; motor fuels subject to motor fuels tax				
	Operating fuel	No other	Vessels greater than 50 tons built in-state and their fuels, supplies, and repairs	Aircraft fuel	Manufacturing and processing materials, fuels, supplies, machinery (and its repair parts) used to make a retail product
Michigan	Transportation services; services when value of materials is incidental to sale; rentals of personal property that has paid the sales and use tax; motor fuels subject to motor fuels tax				
	Rolling stock; purchases shipped from outside Michigan are not subject to use tax	Rolling stock	No other	Special order of 500 ton vessels or greater and their repair/maintenance parts and supplies (IC)	Manufacturing and processing materials, fuel, tools, machinery, and equipment that becomes part of finished product or is used in the process
Minnesota					
	Rolling stock of public utility taxpayers	No other	Aircraft and its repair parts and equipment that is subject to commissioner of revenue tax	No other	Manufacturing and processing materials and fuels that are used in the process of manufacturing a product that ultimately sells at retail
Mississippi					
	Sales/rental of locomotives and their repair parts if ICC/PSC rate-regulated	No other	No other	Vessels of 50 tons or greater; vessel repairs and petroleum products (IC); machinery, tools, fuels, supplies, and equipment to manufacture/repair vessels of 3,000 tons or greater	Manufacturing and processing materials that become part of finished product or are consumed in the process

----- In-state passenger services -----

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Missouri		Motor fuels subject to motor fuels tax			
	Rolling stock and its materials and parts (IC)	Common carrier motor vehicles and their materials and parts (IC)	Aircraft (IC); common carrier aircraft materials and parts (IC)	Common carrier watercraft materials and parts (IC); fuels to vessels on waters bordering Missouri	Manufacturing and processing materials that become part of finished product or are consumed in the process; manufacturing machinery and equipment for new and expanding business or if purchase was caused by a product change
Nebraska		Services, in general, and transportation services in particular; motor fuels subject to motor fuels tax			
	Rolling stock and its materials and repair parts; energy fuels	Common or contract motor carrier vehicles and their materials and repair parts; energy fuels	Common or contract air carrier aircraft and its materials and repair parts; energy fuels	Common or contract watercraft materials and repair parts; energy fuels	Manufacturing and processing materials that become part of retail product; equipment and machinery of manufacturing facility begun after July 1, 1981
Nevada		Services when tangible personal property is inconsequential part of sale; natural gas, electricity, and water that flows through mains or lines; motor fuels subject to motor fuels tax			
	No other	No other	Jet fuel	No other	Manufacturing and processing materials that become part of retail product

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
New Jersey	Rolling stock and its repair parts, power transmission equipment, signals, and track materials if ICC rate-regulated; operating fuel	Sales/rentals of in-state registered motor vehicles of 18,000 lbs or greater or ICC carrier vehicles registered in-state; repair parts for vehicles of both descriptions; buses and their repair parts used for public passenger transportation	Aircraft and its repair parts; aircraft fuel	Vessels of 50 tons or greater and their repair parts (IC)	Manufacturing and processing materials that become part of finished product; machinery and equipment used in industrial process
New Mexico	Rolling stock and its materials are exempt from the use tax	Vehicle leases to ICC carrier (IC)	No other	No other	Manufacturing and processing materials that become part of finished product or are consumed in the process
New York	Sales to a profitable railroad from a railroad reorganized under the Railroad Reorganization Act of 1973	Vehicle rentals to an authorized carrier as augmenting equipment; omnibus company fuel and equipment used in local transit is entitled to a refund	Aircraft and its installed machinery and equipment; property used by or purchased for the chared use of such aircraft for maintenance and repairs; flight simulators; aviation fuel for CAB certified carrier	Vessels, supplies and repair parts (IC)	Manufacturing and processing materials that become part of a resold product; machinery and equipment for direct use or consumption in production of tangible personal property; fuel, natural gas, electricity, refrigeration and steam, and services of same to produce a tangible personal product

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Pennsylvania		Motor fuels subject to motor fuels tax			
	Rail freight transportation equipment and its repair parts	Common carrier vehicles	Common carrier aircraft and its repair parts	Vessels greater than 50 tons and their repair parts; vessel fuel primarily for out-state use	Manufacturing and processing materials that become part of finished product or are consumed in the process; machinery and equipment used in industrial process
Rhode Island		Nonresidents are not subject to the use tax; motor fuels subject to the motor fuels tax			
	No other	No other	No other	Vessels of 50 tons or greater and their repair parts and supplies (IC)	Manufacturing and processing materials (including natural gas, water, and electricity) that are used within one year
South Carolina		Freight transportation services; services not incidental to sale of tangible personal property			
	Rolling stock and its repair parts	No other	No other	Vessels of 50 tons or greater; supplies of vessel plying the high seas (IC); vessel fuel (IC)	Manufacturing and processing materials that become part of the finished product; manufacturing natural gas, water, and electricity; machinery and equipment used in industrial process
South Dakota		Freight transportation services; services not incidental to sale of tangible personal property			
	Locomotive fuel; railroad car rentals; operating property is 50% exempt	Operating fuel (IC)	Operating fuel (IC)	Operating fuel (IC)	Manufacturing and processing materials that become part of the finished product or are consumed in the process; manufacturing fuel

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
North Carolina	Rolling stock repair parts and lubricants	Rolling stock repair parts and lubricants of ICC permit holder	Aircraft repair parts and lubricants of CAB permit holder	Tangible personal property and fuel to ocean going vessels (IC)	Manufacturing and processing materials that become part of the finished product
North Dakota	Transportation services; electricity, gas, and water delivered through mains or lines; motor fuels subject to motor fuels tax	Electricity; common carrier transportation services; motor fuels subject to motor fuels tax	Electricity; common carrier transportation services; motor fuels subject to motor fuels tax	Electricity; common carrier transportation services; motor fuels subject to motor fuels tax	Manufacturing and processing materials that become part of retail product
Ohio	Rolling stock and its repair parts are not subject to the use tax; railroad car rentals	No other	No other	No other	Manufacturing and processing materials that become part of retail product
	Natural gas, electricity, steam, water, and telephone services delivered through mains or lines; common carrier transportation services; motor fuels subject to motor fuels tax				
	Operating supplies, equipment, machinery, and fuel	Common carrier operating supplies, equipment, machinery, and fuel	Common carrier operating supplies, equipment, machinery, and fuel	Common carrier operating supplies; equipment, fuel, and machinery; vessels and their repair parts (IC)	Manufacturing and processing materials that become part of finished product or are consumed in the process; machinery and equipment used in industrial process
Oklahoma	Tangible personal property used on a railroad (IC) is not subject to the use tax	No other	Tangible personal property used on an airline (IC) is not subject to the use tax; aircraft fuel	Water; motor fuel subject to motor fuels tax	Manufacturing and processing materials that become part of finished product or are consumed in the process; machinery and equipment used in industrial process

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Tennessee	<p>----- Transportation services, so long as title to goods does not pass at destination point; motor fuels subject to motor fuels tax -----</p> <p>Rolling stock (IC) No other</p>	<p>Aircraft and its repair parts (IC)</p>	<p>Vessels (IC); repair parts for vessels of 50 tons or greater (IC); tangible personal property and fuel to a vessel in midstream of Tennessee bordering waters</p>	<p>Manufacturing and processing materials that become part of finished product or are consumed in the process; manufacturing water, natural gas, and electricity; machinery and equipment used in the industrial process (after 7/83)</p>	
Texas	<p>----- Motor fuels subject to motor fuels tax -----</p> <p>Rolling stock and its fuel and supplies</p>	<p>No other</p>	<p>Aircraft</p>	<p>Vessels and their repair parts; vessel materials and supplies (IC)</p>	<p>Manufacturing and processing materials that become part of finished product or are consumed in the process; equipment used in industrial process with a useful life of 6 months or less; industrial natural gas, water and electricity</p>
Utah	<p>----- Chartered transportation services; in-state freight or express services; motor fuels subject to motor fuels tax -----</p> <p>No other</p>	<p>No other</p>	<p>No other</p>	<p>No other</p>	<p>Manufacturing and processing materials that become part of finished product; manufacturing fuel</p>

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Vermont	<p>----- Services, in general, and transportation services, in particular; water and telephone services; motor fuels subject to motor fuels tax -----</p> <p>No other</p>	No other	No other	No other	Manufacturing and processing materials, machinery, equipment that become part of finished product; or are used in the process
Virginia	<p>----- Natural gas, electricity, and water delivered through mains or lines; motor fuels subject to motor fuels tax -----</p> <p>Purchases and leases of tangible personal property directly used in their operation</p>	Purchases and leases of tangible personal property directly used in common carrier operations	Purchases and leases of tangible personal property directly used in common carrier operations	Ships, their repair parts, and fuel (IC)	Manufacturing and processing materials that become part of finished product; machinery, fuel, equipment and tools used in the industrial process
Washington	<p>-----</p> <p>Rolling stock and its repair parts; operating purchases</p>	Operating purchases of common or contract carrier; trailers and vehicle repair parts of ICC permit holder	Aircraft and its repair parts	Watercraft and its repair parts; operating purchases of carriers with vessels not greater than 65 feet	Manufacturing and processing materials that become part of finished product
West Virginia	<p>PSC regulated services, including transportation, natural gas, electricity, steam, water, telephone, and telegraph services; motor fuels subject to motor fuels tax</p> <p>Operating equipment, tools, and supplies of ICC/PSC regulated railroad</p>	Operating equipment, tools, and supplies of ICC/PSC regulated carrier	Operating equipment, tools, and supplies of ICC/PSC regulated carrier	Operating equipment, tools, and supplies of ICC/PSC regulated carrier	Manufacturing and processing materials, equipment, supplies that become part of finished product or are consumed in the process

Table 5. Sales and Use Tax Exemptions

State	Railroad	Motor Carrier	Air Carrier	Water Carrier	Industry
Wisconsin	Rolling stock and its repair parts and fuel	Rolling stock and its repair parts, supplies, and fuel of common or contract motor carrier	Aviation fuel	Vessels of 50 tons or greater and their repair parts and fuel (IC)	Manufacturing and processing materials, machinery, and equipment that become part of finished product or are consumed in the process
Wyoming	Interstate transportation services; purchases where the state excise tax is greater than 5% or the federal excise tax is greater than 20%; water delivered through mains; motor fuels subject to motor fuels tax	Transportation services; motor fuels subject to motor fuels tax	Operating fuel; aircraft (IC) is not subject to the use tax	Operating fuel	Manufacturing and processing materials that become part of finished product; manufacturing fuel

Table 6. Treatment of Railroads for Tax Purposes: Railroads Compared to Motor Carriers

(+ = Railroads better; - = Railroads worse; 0 = Neutral (railroads neither better nor worse); ? = Uncertain because of different tax bases; NA = Tax not applicable)

State	Real Property Tax	Personal Property Tax	Income or Gross Receipts Tax	Regulatory Assessment	Sales & Use Tax	Capital Stock Tax	Other Taxes & Fees	All Taxes & Fees
Alabama	0	0	?	0	+	0	+	0
Alaska	0	0	0	NA	0	NA	0	0
Arizona	-	-	+	0	+	NA	0	0
Arkansas	0	0	0	0	+	0	+	0
California	0	0	+	0	+	NA	NA	0
Colorado	0	0	0	-	+	NA	0	0
Connecticut	+	+	?	-	0	+	0	+
Delaware	+	NA	-	0	0	?	-	?
District of Columbia	0	0	0	NA	0	0	NA	0
Florida	0	0	0	-	0	NA	0	0
Georgia	0	0	0	0	0	0	+	0
Hawaii	0	NA	0	0	0	NA	0	0
Idaho	0	0	0	?	0	NA	NA	0
Illinois	+	NA	0	-	0	0	NA	0
Indiana	0	-	0	0	0	NA	+	0
Iowa	0	0	0	0	+	0	0	0
Kansas	0	0	0	+	0	0	NA	0
Kentucky	-	-	0	+	+	0	+	0
Louisiana	0	-	?	0	0	0	NA	0
Maine	+	0	?	0	-	NA	0	0
Maryland	0	+	0	0	0	NA	NA	0
Massachusetts	+	0	+	0	+	NA	0	0
Michigan	+	+	0	+	+	NA	NA	+
Minnesota	-	0	0	NA	+	NA	0	0
Mississippi	0	-	+	?	+	0	-	?
Missouri	0	0	0	0	0	0	NA	0
Montana	-	-	0	0	0	NA	0	0

Table 6. Treatment of Railroads for Tax Purposes: Railroads Compared to Motor Carriers

(+ = Railroads better; - = Railroads worse; 0 = Neutral (railroads neither better nor worse); ? = Uncertain because of different tax bases; NA = Tax not applicable)

State	Real Property Tax	Personal Property Tax	Income or Gross Receipts Tax	Regulatory Assessment	Sales & Use Tax	Capital Stock Tax	Other Taxes & Fees	All Taxes & Fees
Nebraska	0	0	0	NA	0	0	?	0
Nevada	+	-	0	0	0	NA	0	0
New Hampshire	+	+	0	NA	NA	0	+	+
New Jersey	+	+	?	0	+	NA	0	?
New Mexico	0	0	0	0	+	0	+	0
New York	+	NA	0	0	?	0	+	0
North Carolina	?	?	0	NA	+	+	+	?
North Carolina	0	0	0	NA	+	NA	+	0
North Dakota	0	0	?	0	0	0	+	0
Ohio	-	-	0	NA	+	0	+	0
Oklahoma	0	+	0	0	NA	0	+	0
Oregon	+	0	-	0	?	0	0	0
Pennsylvania	0	0	?	0	0	0	+	0
Rhode Island	-	0	?	0	+	+	+	?
South Carolina	+	0	0	0	+	0	+	0
South Dakota	0	0	0	0	+	0	+	0
Tennessee	0	0	0	-	+	0	+	0
Texas	0	0	0	0	+	0	+	0
Utah	0	0	0	0	0	NA	NA	0
Vermont	+	+	+	-	0	NA	0	+
Virginia	0	+	0	+	0	+	+	+
Washington	0	-	-	-	+	0	+	0
West Virginia	0	0	0	0	0	0	+	0
Wisconsin	+	?	+	-	0	NA	+	?
Wyoming	0	0	NA	0	0	0	+	0

Table 6. Treatment of Railroads for Tax Purposes: Railroads Compared to Motor Carriers

(+ = Railroads better; - = Railroads worse; 0 = Neutral (railroads neither better nor worse); ? = Uncertain because of different tax bases; NA = Tax not applicable)

State	Real Property Tax	Personal Property Tax	Income or Gross Receipts Tax	Regulatory Assessment	Sales & Use Tax	Capital Stock Tax	Other Taxes & Fees	All Taxes & Fees
All states:								
Railroads better	14	8	6	4	21	4	23	5
Railroads worse	6	10	3	8	1	0	2	0
Neutral	30	27	33	29	25	26	15	40
Uncertain	1	2	8	2	2	1	1	6
Not applicable	0	4	1	8	2	20	10	0
Overall - railroads compared to motor carriers	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Better	Neutral

Table 7. Treatment of Railroads for Tax Purposes: Railroads Compared to Air Carriers

(+ = Railroads better; - = Railroads worse; 0 = Neutral (railroads neither better nor worse); ? = Uncertain because of different tax bases; NA = Tax not applicable)

State	Real Property Tax	Personal Property Tax	Income or Gross Receipts Tax	Regulatory Assessment	Sales & Use Tax	Capital Stock Tax	Other Taxes & Fees	All Taxes & Fees
Alabama	-	-	?	-	+	0	0	-
Alaska	0	0	0	NA	0	NA	0	0
Arizona	+	+	0	0	0	NA	0	0
Arkansas	0	0	0	0	0	0	0	0
California	0	0	0	0	0	NA	NA	0
Colorado	0	0	0	0	+	NA	0	0
Connecticut	+	0	?	-	-	+	0	?
Delaware	+	NA	-	0	0	?	-	?
District of Columbia	0	0	0	NA	0	0	NA	0
Florida	0	0	0	-	-	NA	+	0
Georgia	0	0	0	0	0	0	0	0
Hawaii	0	NA	0	0	-	NA	0	0
Idaho	0	0	0	-	0	NA	NA	0
Illinois	+	NA	0	-	0	0	NA	0
Indiana	-	-	0	0	0	NA	+	0
Iowa	0	0	0	0	+	0	0	0
Kansas	0	0	0	+	-	0	NA	0
Kentucky	0	0	0	+	+	0	0	0
Louisiana	0	0	?	NA	-	0	NA	0
Maine	+	0	?	0	0	NA	0	0
Maryland	0	+	0	0	-	NA	NA	0
Massachusetts	+	0	0	+	-	NA	0	0
Michigan	+	+	0	+	+	NA	NA	+
Minnesota	0	0	0	NA	-	NA	0	0
Mississippi	0	0	0	?	+	0	-	0
Missouri	0	0	0	0	0	0	NA	0
Montana	0	0	0	0	0	NA	0	0

Table 7. Treatment of Railroads for Tax Purposes: Railroads Compared to Air Carriers

(+ = Railroads better; - = Railroads worse; 0 = Neutral (railroads neither better nor worse); ? = Uncertain because of different tax bases; NA = Tax not applicable)

State	Real	Personal	Income	Regulatory	Sales	Capital	Other	All
	Property Tax	Property Tax	or Gross Receipts Tax	Assessment	& Use Tax	Stock Tax	Taxes & Fees	Taxes & Fees
Nebraska	0	0	0	NA	0	0	-	0
Nevada	+	+	0	0	-	NA	0	0
New Hampshire	+	+	0	NA	NA	0	0	0
New Jersey	+	+	?	0	0	NA	0	?
New Mexico	?	+	0	0	+	0	0	0
New York	+	NA	0	0	-	0	0	0
North Carolina	?	?	0	NA	0	+	0	?
North Dakota	?	?	0	NA	+	NA	0	?
Ohio	0	0	?	0	0	0	0	0
Oklahoma	-	-	0	NA	-	0	0	0
Oregon	0	+	0	-	NA	0	0	0
Pennsylvania	+	0	-	0	0	0	0	0
Rhode Island	0	0	?	0	0	0	0	0
South Carolina	-	?	?	0	+	+	0	?
South Dakota	?	-	0	0	+	0	0	0
Tennessee	0	0	0	-	-	0	0	0
Texas	0	0	0	0	+	0	0	0
Utah	0	0	0	0	0	NA	NA	0
Vermont	+	+	+	-	0	NA	0	+
Virginia	0	+	0	0	0	+	0	0
Washington	0	0	-	-	+	0	0	0
West Virginia	0	0	0	0	0	0	0	0
Wisconsin	0	0	+	0	+	NA	0	0
Wyoming	0	0	NA	0	0	0	0	0

Table 7. Treatment of Railroads for Tax Purposes: Railroads Compared to Air Carriers

(+ = Railroads better; - = Railroads worse; 0 = Neutral (railroads neither better nor worse); ? = Uncertain because of different tax bases; NA = Tax not applicable)

State	Real Property Tax		Personal Property Tax		Income or Gross Receipts Tax		Regulatory Assessment		Sales & Use Tax		Capital Stock Tax		Other Taxes & Fees		All Taxes & Fees	
All states:																
Railroads better	13		10		2		4		13		4		2			2
Railroads worse	4		4		3		9		12		0		3			1
Neutral	30		30		37		28		24		26		36			42
Uncertain	4		3		8		1		0		1		0			6
Not applicable	0		4		1		9		2		20		10			0
Overall - railroads compared to motor carriers	Neutral		Neutral		Neutral		Neutral		Neutral		Neutral		Neutral			Neutral

APPENDIX B

STATE PROFILES

Data Sources: All State Tax Guide (Commerce Clearing House, Inc., Chicago, Illinois)
State and Local Taxes (Prentice-Hall, Inc., Englewood Cliffs, New Jersey)
Statutes of various states

State: Alabama

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: All carriers other than air carriers that are not engaged solely in interstate commerce.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property -

Legal Valuation Standards: "Fair and reasonable market value of taxable property to be estimated at price property would bring at fair voluntary sale."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Proportion of value or receipts within state to total value or receipts.
Between Localities in State - Miles of mainline single track.

Appraisal Method: Replacement cost less depreciation, capitalized income, and/or market value of stock and debt.

Responsibility for Valuation: State Department of Revenue.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Water Carrier Property	- Legal Valuation Standards:	Same as railroad
	- Responsibility for Valuation:	Local
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Description</u>	<u>Assessment Level (% of Full Value)</u>
I	Utilities (includes all carriers not engaged solely in interstate commerce, excludes all air carriers)	30%
II	Other than Classes I, III, or IV	20%
III	Agricultural property, single family residences, historic buildings	10%
IV	Personal use autos and trucks	15%

State: Alabama

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state real and personal property tax rate is 0.65% of assessed value.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate net income tax: 5% (railroad companies are exempt)

Franchise tax: 0.3% of gross income (minimum - \$25)

GROSS RECEIPTS OR INCOME TAX

Railroad privilege tax: 2.5% of gross receipts greater than \$150,000

Utility gross receipts tax (based on monthly sales): maximum - 4% of gross sales;
minimum - 2.5% of gross sales

Utility license tax: 2.2% of gross receipts

(Both utility taxes do not apply to railroads and other carriers engaged solely in interstate commerce or to air carriers.)

Express company and telephone and telegraph company privilege tax: 2.5% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Gross receipts tax: maximum - 0.25% of receipts; minimum - 0.15% of receipts or \$25
(applied to all carriers other than air carriers that are not engaged solely in interstate commerce)

Inspection and supervision fees: maximum - \$5,000; minimum - \$25

SALES AND USE TAX

State sales tax: 4% of gross receipts, generally; maximum - 4%; minimum - 1.5%
(automobiles, trucks, trailers, and semi-trailers - 1.5%; numerous exemptions exist - see
Table 5)

City option sales tax: 0.25% - 2% of gross receipts

County option sales tax: 0.5% - 3% of gross receipts

Motor fuels tax: Gasoline - 11 cents/gallon; diesel - 12 cents/gallon

CAPITAL STOCK TAX

Maximum - \$50; minimum - \$10 (based on value of paid capital stock)

OTHER TAXES AND FEES

Motor carrier mileage tax (based on number of seats): maximum - 1 cent/mile; minimum -
1/4 cent/mile

State: Alaska

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads, motor freight carriers, and all common carriers.

Valuation of Transportation and Other Business Property - Determination of Full Value

Railroad Property -

Legal Valuation Standard: "Full and true value - estimated price which property would bring in open market under then prevailing market conditions in sale between willing seller and willing buyer, both conversant with property and prevailing general price levels."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Original cost less depreciation and/or acquisition cost.

Responsibility for Valuation: Local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad

- **Responsibility for Valuation:** Local

Air Carrier Property - Legal Valuation Standard: Same as railroad

- **Responsibility for Valuation:** Local

Water Carrier Property - Legal Valuation Standard: Same as railroad

- **Responsibility for Valuation:** Local

Industrial Property - Legal Valuation Standard: Same as railroad

- **Responsibility for Valuation:** Local

Commercial Property - Legal Valuation Standard: Same as railroad

- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of full value.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state tax on oil and gas exploration, production and pipeline transportation is levied at the rate of \$2/\$100 of assessed value.

State: Alaska

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Mining license tax:

<u>Net Income</u>	<u>Tax Rate</u>
\$40,000 - \$50,000	3%
next \$50,000	5%
greater than \$100,000	7%

GROSS RECEIPTS OR INCOME TAX

None

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION

None

SALES AND USE TAX

Maximum - 6% of sales (determined locally; exemptions exist - see Table 5))

Motor fuels tax: Gasoline - 8 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Corporation tax: \$100 every two years

State: Arizona

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property -

Legal Valuation Standard: Market value, defined as "the value of property of the same kind which has been the subject of sale or purchase to so great an extent and in so many instances that the value has become fixed."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Comparison sales, original cost less depreciation and/or capitalization of income.

Responsibility for Valuation: Nonoperating realty - local. All other property - State Department of Revenue.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Description</u>	<u>Assessment Level (% of Full Value)</u>
I	Flight property, producing mines	52%*
II	Gas, water, and electric utilities, telephone, telegraph, and pipeline	44%*
III	Commercial or industrial property not in other classes	25%
IV	Agricultural property	16%
V	Residential property	10%
VI	Apartments	18%
VII	Railroad and private car companies	Average of Classes I, II, III
VIII	Historic property	8%

* 1980 level to decrease, by biennial adjustments, to 25% by 1992.

State: Arizona

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

NET INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$1,000	2.5%
2nd \$1,000	4%
3rd \$1,000	5%
4th \$1,000	6.5%
5th \$1,000	8%
6th \$1,000	9%
7th \$1,000	10.5%

GROSS RECEIPTS OR INCOME TAX

Motor carriers license tax:
Passenger carriers - 2.25% of gross receipts
Property carriers - 2.50% of gross receipts
Motor express companies - 6% of gross receipts

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

Applied to gas, water, telegraph, telephone, and electric companies:
0.1% of gross receipts less than 250,000
0.2% of gross receipts greater than 250,000

SALES AND USE TAX

State sales tax: 4% of sales, generally; maximum - 4%; minimum - 1% (numerous exemptions exist - see Table 5)

City option sales tax: 0.5% - 2% of sales

Motor fuels tax: 12 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Business registration fee: \$30/year

State: Arkansas

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, private railroad car, express, and ferry companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property -

Legal Valuation Standard: Real property - True value, defined as "the price which could be obtained after reasonable and ample time for sale, such as would usually be taken by an owner." Personal Property - True value, defined as "the usual selling price, and if none, the amount the assessor believes could be obtained."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, receipts.

Between Localities in State - Value of tangible and real property of fixed situs in the locality plus a portion of the rolling stock value as determined by the locality's percentage of total statewide track mileage.

Appraisal Method: Original cost less depreciation, replacement cost less depreciation, capitalized income, and/or market value of outstanding capital stock and debt.

Responsibility for Valuation: Operating property - State Public Service Commission. Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

A percentage of true value as determined by the Public Service Commission via Department of Assessment Coordination (maximum: 20%).

State: Arkansas

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$3,000	1%
2nd \$3,000	2%
next \$5,000	3%
next \$14,000	5%
greater than \$25,000	6%

GROSS RECEIPTS OR INCOME TAX

None

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Total railroad regulation costs as determined by Commerce Commission to be distributed among the state's railroads based on gross revenue - not to exceed 0.4% of gross revenue.

Total utilities regulation costs to be distributed among individual utilities by their proportion of gross earnings to total utilities gross earnings - not to exceed 0.4% of gross earnings (applies to all nonrailroad carriers).

SALES AND USE TAX

State sales tax: 3% of gross receipts (numerous exemptions exist - see Table 5)

County option sales tax: 1% of gross receipts

Motor fuels tax: Gasoline - 9.5 cents/gallon; diesel - 10.5 cents/gallon

CAPITAL STOCK TAX

Franchise tax: 0.11% of outstanding capital stock

OTHER TAXES AND FEES

Common carrier fee: \$5/year for each bus, truck, or tractor

State: California

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: All carriers.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Full value, defined as "the price at which a property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being put in a position to take advantage of the exigencies of the other."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Determined by State Board of Equalization (no factors specified in law).

Between Localities in State - Determined by State Board of Equalization (no factors specified in law).

Appraisal Method: Comparable sales, historical cost, investment value (i.e. capitalization of income), and/or replacement cost less depreciation.

Responsibility for Valuation: State Board of Equalization.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Motor express property on a "stage line" - State. Other property - local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 25% of full value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except private railroad cars which are taxed at the average statewide mill rate of the preceding year.

State: California

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Bank and corporation franchise tax: for 1980-1982, 9.6% of net income (applies to all transportation companies)

GROSS RECEIPTS OR INCOME TAX

Highway carrier uniform business license tax: 0.1% of gross operating revenue

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Property carrier rate regulation fee: 3.33% of gross receipts (or lower, as set by Public Utilities Commission) plus \$40 flat annual fee (applies to all freight transportation companies)

SALES AND USE TAX

4-3/4% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 7 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

None

State: Colorado

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, airline, private car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track mileage.

Between Localities in State - Main track mileage.

Appraisal Method: Current replacement cost less depreciation, comparable sales, and/or capitalized income. Full value of operating property of public utilities includes: (1) all operating tangible property; (2) intangibles (special franchises, contract rights, and right-of-way); (3) Five year capitalization of income.

Responsibility for Valuation: Operating property - State Property Tax Administrator. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: State

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

The legal standard for all property is 30% of fair market value, but local variations in assessment practices distort this. In reaction, the Colorado legislature requires railroads to be assessed at the average of commercial and industrial assessment ratios for the preceding year.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Colorado

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Net income tax: 5%

GROSS RECEIPTS OR INCOME TAX

Public utility tax (gas, water, and electric companies): 0.2% of gross operating revenue

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Annual report fee (based on costs of the Public Service Commission):
Domestic Corporations -\$45 (1981)
Foreign Corporations -\$200 (1981)
(applied to railroad and airline companies)

SALES AND USE TAX

3% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 9 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Carrier mileage fees, (passenger vehicles): 1 mill per passenger-mile

Freight/express vehicle tax ("metro" trucks greater than 16,000 lbs and other trucks greater than 6,500 lbs of empty weight): 0.08% per ton-mile empty weight plus 0.2% per ton-mile of cargo weight

State: Connecticut

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, private railroad car and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True and actual value (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Not applicable.

Between Localities in State - Not applicable.

Appraisal Method: Not defined by statute.

Responsibility for Valuation: Local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All assessments are to be at 70% of true and actual value, except interstate water carriers which are assessed at a value equal to their net earnings.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - Operating property (but see Gross Receipts or Income Tax)

Motor Carrier Property - None

Air Carrier Property - Tangible personal property (but see Corporate business tax)

Water Carrier Property - None

State: Connecticut

INCOME TAX

Corporate business tax: 10% of Connecticut net income plus, to the extent it exceeds the 10% tax, for a company with gross income of greater than \$50,000;
a. 0.31% of capital stock less average deficits or,
b. 5% of 50% net income plus corporate officers salaries and compensation.
Minimum: \$250; maximum: \$100,000 (Railroad companies are exempt from the tax)

GROSS RECEIPTS OR INCOME TAX

<u>Net railroad operating income/gross income</u>	<u>Tax Rate</u> <u>(applied to gross earnings)</u>
Less than	2%
8%	2-1/4%
10%	2-1/2%
12%	2-3/4%
14%	3%
16%	3-1/4%
18%	3-1/2%
Greater than	
18%	

Local taxes on nonoperating realty and funds expended for improvements complying with standards of service approved by Commissioner of Transportation (usually rehabilitation projects) may be deducted from gross receipts tax.

<u>Corporation class</u>	<u>Tax rate</u> <u>(applied to gross earnings)</u>
Express	2%
Telegram and cable	4-1/2%
Telephone company	9%
Community television	9%
Electric, gas, power, and water	5%
Private car	3%

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Administrative expense assessment: based on Department of Public Utility Control's expenses (applied to railroads)

SALES AND USE TAX

7-1/2% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 11 cents/gallon

CAPITAL STOCK TAX

See Income Tax

OTHER TAXES AND FEES

Annual report filing fee: \$35 generally; \$20 for some railroads (see above)

State: Delaware

PROPERTY TAX

Property Taxable in State: Real.

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, private railroad car and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value in money (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Not applicable.
Between Localities in State - Not applicable.

Appraisal Method: Not defined by statute.

Responsibility for Valuation: Local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

Locally determined.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax

Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation

Railroad Property - Land within railroad right-of-way

Motor Carrier Property - None

Air Carrier Property - None

Water Carrier Property - None

State: Delaware

INCOME TAX

Corporate business tax (not applied to railroads or canal companies): 8.7% of net earnings

Railroad and canal company tax: 10% of net earnings (applied to railroads not paying a flat fee)

GROSS RECEIPTS OR INCOME TAX

Express company tax: 6% of gross earnings plus \$250 annual license fee

Manufacturing license tax: \$50 + 0.4% of gross receipts

Merchant license tax (wholesalers): generally \$50 + 0.4% gross receipts;
Minimum: \$50 + 0.1%; maximum: \$50 + 0.4%

Retailers license tax: 0.75% of gross receipts (not applied to steam, water, natural gas, or electric companies)

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

0.2% of gross operating revenue (applied to motor carriers and other public utilities)

SALES AND USE TAX

State use tax: 2% of leases of tangible personal property

Motor fuels tax: 11 cents/gallon

CAPITAL STOCK TAX

All domestic corporations:

<u>Authorized Capital Stock (not greater than)</u>	<u>Tax</u>
1,000 shares	\$20.00 + \$10 filing fee
3,000 shares	24.20 + \$10 filing fee
5,000 shares	30.25 + \$10 filing fee
10,000 shares	60.50 + \$10 filing fee
Each additional 10,000 shares (or part)	30.25 + \$10 filing fee

Domestic railroad and canal companies: 0.5% of cash value (applied to railroads not paying a flat fee)

OTHER TAXES AND FEES

Special railroad taxes:

<u>Railroad</u>	<u>Tax</u>
Philadelphia, Baltimore and Washington R.R.	\$ 50,000
Baltimore and Philadelphia R.R.	30,000
Delaware R.R.	25,000
Wilmington and Northern R.R.	5,000
Delaware, Maryland and Virginia R.R.	1,500

All other railroads -

Each passenger carried each month by steam power	\$ 0.10
Each locomotive	100.00
Each passenger car	25.00
Each freight car and truck	10.00

State: District of Columbia

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Real property - estimated market value, defined as "100% of price property would bring if sold on open market under prevailing conditions if (1) seller has reasonable time to find buyer, (2) buyer and seller both seek to maximize their gains but neither can take advantage of exigencies of the other, and (3) they both know uses to which property may be put." **Personal property - full and true value,** defined as "most current, accurate, and conclusive evidence of market value."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Income approach, comparable sales, and/or replacement cost less depreciation.

Responsibility for Valuation: Property Tax Division of Department of Finance and Revenue.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Assessment of Transportation and Other Business Property: Determination of Taxable Value:

100% of full and true value

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: Property is divided into three classes: (1) residential, owner occupied, less than five units; (2) residential, not owner occupied, less than five units; (3) all property other than classes one and two. Tax rates for each of the three classes are annually determined to adjust the preceeding year's revenue by the annual average Washington, D.C. consumer price index.

State: District of Columbia

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate business tax: 9% of net D.C. income plus 10% surtax after 1976

GROSS RECEIPTS OR INCOME TAX

Public utility tax (gas, electric, lighting and telephone companies): 6% of gross receipts, (in lieu of personal property tax)

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

None

SALES AND USE TAX

6% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: 14 cents/gallon (adjusted annually by the consumer price index)

CAPITAL STOCK TAX

From \$15 to \$250 plus \$125 for each additional \$1,000,000 of value greater than \$1,000,000

OTHER TAXES AND FEES

None

State: Florida

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad and motor carrier companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Nonoperating property - just value, defined as "the price at which a property, if offered for sale in the open market, with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains, and neither being put in a position to take advantage of the exigencies of the other." **Operating property** - just value adjusted using the unit rule method of valuation, whereby the value of the entire operating property is considered, with minimum consideration given to the aggregate value of the separate parts.

No distinction is made between property used in interstate commerce and property used in intrastate commerce.

Allocation Factors for Determining Full Value: **Between States** - All track miles, railroad operating revenue, ton miles, and train miles.
Between Localities in State - All track miles.

Appraisal Method: Replacement cost less depreciation, capitalization of income, market (comparable sales), and/or stock and debt.

Responsibility for Valuation: Operating property - State Railroad Assessment Board (Department of Revenue). Nonoperating - local.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Local

Air Carrier Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Local

Water Carrier Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Local

Industrial Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of full value.

State: Florida

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state intangible personal property tax rate is 0.1% of just value.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate business tax: 5% of net income

GROSS RECEIPTS OR INCOME TAX

Public utility tax (electric, gas, power, and water companies): 1.5% of gross receipts

Express company tax: 2% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

<u>Corporation</u>	<u>Maximum</u>	<u>Minimum</u>
Railroad, telephone, radio common carriers, electric and gas companies	0.125% of gross operating revenue	\$25
Municipal or cooperative electric and gas companies	0.016% of gross operating revenue	\$25
Water and sewer companies	2.5% of gross receipts	\$25

SALES AND USE TAX

5% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 8 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Municipal railroad company tax (based on municipal population): from \$10 to \$250

Municipal express company tax (based on municipal population): from \$6 to \$200

Common air carrier registration fee: \$500

Annual report fee: \$10

State: Georgia

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, private railroad car, express, and navigation companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value, defined as "the amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arms length bona fide sale."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Assessors must consider all factors bearing on what property would bring at fair sale. Definite system of valuation need not be used by assessors as long as valuations are just.

Responsibility for Valuation: State Revenue Commission.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 40% of true value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Georgia

Transportation Property Exempt from Taxation:

Railroad Property - Property of Georgia Railroad Company (but see Income Tax)
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

All corporations except Georgia Railroad Company: 6% net income

Georgia Railroad Company: 0.5% of net earnings

GROSS RECEIPTS OR INCOME TAX

None

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Public Service Commission fee: all corporations subject to PSC regulation must pay portion of \$560,000 annual charge (apportioned by value of property, applies to all carriers)

SALES AND USE TAX

State sales tax: 3% of gross receipts (numerous exemptions - see Table 5)

County option sales tax: 1% of gross receipts

Motor fuels tax: 7.5 cents/gallon

CAPITAL STOCK TAX

Franchise tax (based on net worth): from \$10 to \$5,000 (on net worth from \$10,000 to \$22 million)

OTHER TAXES AND FEES

Motor carrier fees: contract and private carriers - \$5/vehicle; common carriers - \$25/vehicle

State: Hawaii

PROPERTY TAX

Property Taxable in State: Real

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: All common and contract carriers.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Not applicable
Between Localities in State - All track miles.

Appraisal Method: Income approach, comparable sales, and/or replacement cost less depreciation and obsolescence.

Responsibility for Valuation: Local

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

State Director of Taxation determines assessment level, which may not exceed 60%.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Hawaii

Transportation Property Exempt from Taxation:

Railroad Property - Operating property
Motor Carrier Property - Same as railroad
Air Carrier Property - Same as railroad
Water Carrier Property - Same as railroad

INCOME TAX

Tax on transportation public utilities: 4% of gross income

Public service company tax (not applied to transportation public utilities):

<u>Net Income/Gross Income (%)</u>	<u>Tax Rate</u>
less than 0.15	5.885% of gross income
greater than 0.15	5.885% of gross income + .2675% for each 1% increase in net income/gross income (maximum of 8.2%)

GROSS RECEIPTS OR INCOME TAX

Corporate gross income tax (not applied to public utilities):

<u>Gross Income</u>	<u>Tax Rate</u>
not greater than \$25,000	5.85%
greater than \$25,000	6.435%

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Public utility fee: 0.125% of gross receipts (minimum: \$15)

SALES AND USE TAX

General excise tax (not applied to public utilities):

Manufacturers - 0.5% of value of products
Retailers - 4% of gross receipts
Wholesalers - 0.5% of gross receipts

(numerous exemptions exist - see Table 5)

Motor fuels tax: from 12.5 cents to 15 cents/gallon (varies by county)

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Annual report fee: \$10

State: Idaho

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, and private railroad car companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Cash value, defined as "the value at which property would be taken in payment of just debt due from solvent debtor, or amount property would sell for at voluntary sale, considering earning power."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Capitalization of income, replacement cost less depreciation, and/or comparison sales.

Responsibility for Valuation: Operating property - State Tax Commission.
Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 20% of cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Idaho

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate income tax: 6.5% of net taxable income + \$10 annual fee

GROSS RECEIPTS OR INCOME TAX

Franchise tax: 0.2% of net taxable income (minimum - \$20; maximum - \$500)

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Public utilities commission fee: maximum for railroad - 1% of gross operating revenue;
maximum for other than railroad - 0.25%

Motor carrier regulatory fee: common and contract carriers - \$21 per power unit; private
motor carrier - \$7 per power unit

SALES AND USE TAX

3% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: 12.5 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

None

State: Illinois

PROPERTY TAX

Property Taxable in State: Real

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value (fair cash value), defined as "the highest price estimated in terms of money which a property will bring if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with the knowledge of all of the uses for which it is adapted and for which it is capable of being used." Also defined as follows: "The value of a collection of buildings, improvements, machines, and equipment is the dollar value required to assemble and install a similar collection of buildings, improvements, machines, and equipment comparable in age and condition and capable of producing an income equivalent to that of the collection being appraised."

Fair cash value of railroad property must consider the actual or market value of the shares of stock outstanding, the actual or market value of all bonds outstanding, and all other indebtedness as shall be applicable for the operation of the road, providing in determining the market value of any such stock or indebtedness the State Department of Revenue shall consider quotations from the next five preceding years, the net earnings of the company during the five calendar years preceding the assessment date, and such information as the Department may consider as bearing on the fair cash value of the property.

No distinction is made between property used in interstate commerce and property used in intrastate commerce.

Allocation Factors for Determining Full Value: Between States - All track miles, reproduction costs, and gross revenues.
Between Localities in State - All track miles.

Appraisal Method: Comparable sales, replacement cost less depreciation, and/or capitalization of income.

Responsibility for Valuation: Operating property - State Department of Revenue. Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as nonrailroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as nonrailroad
	- Responsibility for Valuation:	Local
Water Carrier Property	- Legal Valuation Standard:	Same as nonrailroad
	- Responsibility for Valuation:	Local
Industrial Property	- Legal Valuation Standard:	Same as nonrailroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as nonrailroad
	- Responsibility for Valuation:	Local

State: Illinois

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 33-1/3% of fair market value, except in counties with populations greater than 200,000, where a classification system is allowed. Cook county is the only county to implement such a system.

<u>Class</u>	<u>Description</u>	<u>Assessment Ratio</u>
I	Unimproved real estate	22%
II	Agricultural and residential (6 units or less)	17%
III	Residential other than Class II	33%
IV	Real estate owned by nonprofit corporation	30%
V	All others	40%

Note: Assessment level of highest class cannot exceed two and one half times the lowest class - classes locally determined in applicable counties.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate income tax: 6.5% of net income

GROSS RECEIPTS OR INCOME TAX

Public utility tax: 5% of gross receipts (applies to gas, electric, telephone, and telegraph companies)

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

Commerce commission administration tax: 0.08% of invested capital (applies to railroad, electric, gas, water, railroad, and message companies)

SALES AND USE TAX

State sales tax: 4% of gross receipts, generally; maximum - 4%, minimum - 1% (numerous exemptions exist - see Table 5)

Local option sales tax: from 0.5% to 1% of gross receipts

Motor fuels tax: 7.5 cents/gallon

CAPITAL STOCK TAX

Franchise tax: 0.1% of gross receipts plus annual report fee of \$15. Minimum tax is a function of stated capital and paid in surplus (range \$25 - \$500) maximum tax is \$1,000,000.

OTHER TAXES AND FEES

None

State: Indiana

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, water carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Distributable property - Unit value of the railroad company as determined by replacement cost less depreciation, market value of outstanding securities, and capitalization of income, minus the value of the company's fixed property (real and tangible personal property). Fixed property - True cash value (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.
Between Localities in State - Track line value.

Appraisal Method: Replacement cost less depreciation, market value of outstanding securities, and/or capitalization of income.

Responsibility for Valuation: Distributable property - State Board of Tax Commissioners. Fixed property - local.

Motor Carrier Property - Legal Valuation Standard:	True cash value (not defined by statute)
- Responsibility for Valuation:	Same as railroad
Air Carrier Property - Legal Valuation Standard:	Same as motor carrier
- Responsibility for Valuation:	Same as railroad
Water Carrier Property - Legal Valuation Standard:	Same as motor carrier
- Responsibility for Valuation:	Same as railroad
Industrial Property - Legal Valuation Standard:	Same as motor carrier
- Responsibility for Valuation:	Local
Commercial Property - Legal Valuation Standard:	Same as motor carrier
- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 33-1/3% of true cash value.

State: Indiana

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state intangible personal property tax rate is 0.233% of taxable value (to decrease by 0.016% or 0.017% per year until phased out in 1992).

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - Motor vehicles subject to excise tax (but see Other Taxes and Fees)
Air Carrier Property - Operating property (but see Other Taxes and Fees)
Water Carrier Property - Operating property (but see Other Taxes and Fees)

INCOME TAX

Corporate income tax: 3% of adjusted gross income plus 4% of net income (supplemental net income tax).

Gross income tax (interstate carrier services are exempt):

Wholesalers/retailers - 0.325% in 1982 (decreases 0.0125%/year until phased out in 2007)

Public utilities and others - 1.3% in 1982 (decreases 0.05%/year until phased out in 2007)

GROSS RECEIPTS OR INCOME TAX

None

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

0.15% of gross receipts (applies to all carriers)

SALES AND USE TAX

4% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: 11 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Motor vehicle license excise tax (based on original vehicle cost less depreciation): maximum - \$400; minimum - \$12

Aircraft annual license excise tax (based on class and age range): maximum - 9 cents/pound; minimum - 5 cents/pound

Commercial vessel tonnage tax: 3 cents/ton (in lieu of property tax)

Annual report filing fee: \$15

State: Iowa

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, and private railroad car companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property -

Legal Valuation Standard: Market value, defined as "a fair and reasonable exchange in the year in which the property is listed and valued between a willing buyer and a willing seller, neither being under compulsion to buy or sell, and each being familiar with all the facts relating to the particular piece of property."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, gross operating revenue.
Between Localities in State - All track miles.

Appraisal Method: Replacement cost less depreciation, capitalization of income, and/or comparison sales.

(Note: Value cannot be fixed by use of only one method.)

Responsibility for Valuation: Operating property - State Director of Transportation. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of market value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Iowa

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$25,000	6%
\$25,001-\$100,000	8%
\$100,001-\$250,000	10%
greater than \$250,000	12%

GROSS RECEIPTS OR INCOME TAX

None

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION

Rate-regulated utilities: not to exceed 0.1% of gross operating revenue

Non-rate-regulated utilities: 50% of rate-regulated companies tax rate

SALES AND USE TAX

3% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: Gasoline - 13 cents/gallon; diesel - 15.5 cents/gallon

CAPITAL STOCK TAX

Franchise tax: graduated from \$15 for \$0-\$20,000 of stated capital to \$3,010 for greater than \$500,000

OTHER TAXES AND FEES

Railway mileage tax (private car companies only): 1.25 cents/mile

State: Kansas

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor common carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value, defined as "the amount of money a well informed buyer is justified in paying and a well informed seller is justified in accepting, assuming that the parties thereto are acting without undue compulsion and that the property has been offered at the market place for a reasonable length of time."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, operating revenue, car and locomotive miles.

Between Localities in State - All track miles, operating revenue, car and locomotive miles.

Appraisal Method: Capitalization of income, replacement cost less depreciation, and/or comparison sales.

Responsibility for Valuation: Operating property - State Director of Property Valuation. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 30% of fair market value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other real property and tangible personal property within a taxing jurisdiction. The state intangible personal property tax rate is 3% of the gross revenue derived from such intangibles. The local option intangible property tax rate ranges from 1/8% to 3/4% of gross revenue from intangibles for counties and from 1/8% to 2 1/4% for cities/towns. The State tangible personal property tax rate is 1.6 mills/\$1 for education, social services, and corrections.

State: Kansas

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Net corporate income tax: 4.5% of net income plus 2.25% of net income greater than \$25,000

GROSS RECEIPTS OR INCOME TAX

Private car companies tax: 2.5% of gross earnings

Express company excise tax: 4% of gross revenue

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION

Not to exceed 0.2% of gross operating revenue (not applied to railroads)

SALES AND USE TAX

3% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: Gasoline - 8 cents/gallon, diesel - 10 cents/gallon.

CAPITAL STOCK TAX

Franchise tax (based on corporation shareholder's equity attributable to Kansas): \$1 per \$1,000 (maximum - \$2,500; minimum - \$20)

OTHER TAXES AND FEES

None

State: Kentucky

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value, defined as "the sale price which would be agreed on by owner who desired but not compelled to sell and one who desired but not compelled to buy."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Comparison sales, replacement cost less depreciation, and/or capitalization of income.

Responsibility for Valuation: Operating property - State Department of Revenue. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Operating motor vehicles - State Department of Revenue. Nonoperating property and realty - local.

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as motor carrier

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as motor carrier

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of true value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The State real property tax rate is determined annually and was 0.279% of assessed value in 1979. The State intangible personal property tax rate is also determined annually and was 0.25% of the value of all money, securities, and credits in 1979.

State: Kentucky

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - Property of irregular route common carriers subject to department of revenue tax (see Other Taxes and Fees)
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
not greater than \$25,000	3%
\$25,001 - \$50,000	4%
\$50,000 - \$100,000	5%
greater than \$100,000	6%

GROSS RECEIPTS OR INCOME TAX

None

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Maximum - 1.5 mills per dollar of gross earnings; minimum - \$25 (not applied to railroads)

SALES AND USE TAX

5% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 9% of average wholesale price

CAPITAL STOCK TAX

Franchise tax (based on total capital employed in business): 70 cents/\$1,000

(Not applicable to railroads and other companies which pay property tax as public service companies.)

OTHER TAXES AND FEES

Department of revenue assessment (applied to irregular route motor common carriers in lieu of property tax): 1% of assessed value

Tax on trucks weighing 60,000 lbs or more: 2.85 cents per mile of operations in State

Annual report fee: \$5

State: Louisiana

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads, motor buslines, motor freight lines, express companies, and boat and packet lines.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value, defined as "the highest price estimated in terms of money which property will bring if exposed for sale on the open market with reasonable time allowed to find a purchaser who is buying with all the knowledge of all the uses and purposes to which the property is best adapted."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, investment, operating revenues, car miles (loaded and empty), and passenger miles.

Between Localities in State - Local value of railroad's fixed property.

Appraisal Method: Market approach, cost approach, and/or income approach.

Responsibility for Valuation: Operating property - Louisiana Tax Commission.
Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuations:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuations:	Local
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Description</u>	<u>Assessment Level</u> <u>(% of Full Value)</u>
I	Land	10%
II	Residential improvements	10%
III	Electric cooperatives excluding land	15%
IV	Public service properties excluding land (includes all land and water carriers)	25%
V	All other	15%

State: Louisiana

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - Motor vehicles used on public highways
Air Carrier Property - None
Water Carrier Property - (1) Boats using gasoline; (2) ships and vessels engaged in overseas commerce domiciled in Louisiana

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$25,000	4%
2nd \$25,000	5%
next \$50,000	6%
next \$100,000	7%
greater than \$200,000	8%

GROSS RECEIPTS OR INCOME TAX

Public utility license tax (applied to railroad in lieu of income tax): 2% of gross receipts

Common and contract carrier tax: Based on gross receipts with a range of 0.3% of first \$100,000 to 0.015% for amounts greater than \$100,000,000 (minimum - \$35)

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

None

SALES AND USE TAX

State sales tax: 3% of gross receipts (numerous exemptions exist - see Table 5)

Local option sales tax: combined city and parish sales tax cannot exceed 3% of gross receipts

Motor fuels tax: 9 cents/gallon

CAPITAL STOCK TAX

Franchise tax: \$1.50 per \$1,000 of outstanding capital stock, undivided profits, surplus, and borrowed capital

OTHER TAXES AND FEES

None

State: Maine

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Just value, defined as "the value arising from presently possible land use alternatives to which the particular parcel of land being valued may be put."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Income approach and/or replacement cost less depreciation.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad, but vessels greater than 50 tons are valued at \$20/ton when new, decreasing one dollar per year for seventeen years.
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of just market value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Maine

Transportation Property Exempt from Taxation:

Railroad Property - Land within railroad right-of-way
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
not greater than \$25,000	4.95%
greater than \$25,000	6.93%

GROSS RECEIPTS OR INCOME TAX

Railroad excise tax (in lieu of income tax): Based on annual net railroad income of current year relative to statewide transportation receipts of preceding year - minimum, 3-1/4% of gross receipts; maximum, 5-1/4% of gross receipts.

Note: Intrastate railroad operating less than 50 miles are exempt.

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Administration expense assessment - not to exceed 0.2% of gross operating revenue or at rate producing greater than \$600,000 in annual tax revenue (applied to electric, gas, telephone, telegraph, and water utilities)

SALES AND USE TAX

5% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 9 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Annual report filing fee: \$35

State: Maryland

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads, motor, air, and water contract carriers, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property -

Legal Valuation Standard: Full cash value, defined as "current value less an allowance for inflation of 50% of current value."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Main track mileage.

Between Localities in State - All track mileage.

Appraisal Method: Comparison sales, income capitalization, and/or replacement cost less depreciation.

Responsibility for Valuation: State Department of Assessment and Taxation.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Operating property - State Department of Assessment and Taxation. Nonoperating - local.
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as motor carrier
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as motor carrier
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 50% of full cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Maryland

Transportation Property Exempt from Taxation:

Railroad Property - Rolling stock and repair parts
Motor Carrier Property - Motor vehicles used in interstate commerce and repair parts
Air Carrier Property - Aircraft used in interstate commerce and repair parts
Water Carrier Property - Watercraft not greater than 100 feet engaged in interstate commerce and repair parts

INCOME TAX

Corporate business tax: 7% of net income

GROSS RECEIPTS OR INCOME TAX

Public utility tax (applied to railroads and other utilities in lieu of corporate business tax):
transportation, cable, and telephone companies - 2-1/2% of gross receipts;
other utility companies - 2% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Not greater than 0.15% of gross receipts (minimum - \$10; applies to all public service
commission regulated companies, including railroads).

SALES AND USE TAX

5% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 11 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

None

State: Massachusetts

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair cash value (not defined by statute)

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track mileage.
Between Localities in State - All track mileage.

Appraisal Method: Income approach, replacement cost less depreciation, and/or comparison sales.

Responsibility for Valuation: Local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of fair cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: Massachusetts has a classified tax rate system whereby each class of property is assigned a tax share - limited to 150% of its share of the local fair cash value:

<u>Class</u>	<u>Description</u>	<u>Tax Share Computation</u>
I	Residential real property	$\frac{\text{Class I real property value}}{\text{All real and personal property value}} \times \text{Residential factor (65\%-100\%)}$ (minimum initially set by State Revenue Commissioner)

State: Massachusetts

<u>Class</u>	<u>Description</u>	<u>Tax Share Computation</u>	
II	Open space land	$\frac{\text{Class II real property value}}{\text{All real and personal property value}}$	X Not less than 85% of the residential factor
III	Commercial real property (includes all non-railroad carriers)	$\frac{\text{Class III real property value}}{\text{Value of class III, class IV, and all personal property}}$	X 100% - (sum of class I and class II tax shares)
IV	Industrial real property (includes railroads and public utilities)	$\frac{\text{Class IV real property value}}{\text{Value of class III, class IV, and all personal property}}$	X 100% - (sum of class I and class II tax shares)

Note: The personal property tax share is computed in the same manner as class III and class IV.

Transportation Property Exempt from Taxation:

Railroad Property - (1) Operating real property is allowed an exemption of 60% of the amount of real estate taxes paid in 1961, 1962, and 1963 from the current year if net income for each of the three years preceding the claim for exemption has been less than \$25,000; (2) land within railroad right-of-way is exempt.

Motor Carrier Property - None

Air Carrier Property - None

Water Carrier Property - None

INCOME TAX

Public utility tax (applied to railroads and other utilities in lieu of corporate business tax): 6-1/2% of net income

Corporate business tax: the sum of 8.33% of taxable net income tax plus \$2.60/\$1,000 of taxable tangible property, plus a surtax of 14% of the sum (minimum - \$228)

GROSS RECEIPTS OR INCOME TAX

None

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

Variable, based on Public Utility Commission expenses (not applied to railroad)

SALES AND USE TAX

5% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: 1.0 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Annual certificate of condition filing fee: \$35

State: Michigan

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, water carrier, air carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True cash value, defined as "the usual selling price which could be obtained at private sale, not forced or auction sale, at place where property is at time of assessment."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track mileage.
Between Localities in State - All track mileage.

Appraisal Method: Replacement cost less depreciation and/or capitalization of income.

Responsibility for Valuation: Operating property - State Board of Assessors.
Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 50% of true cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except railroad, private railroad car, and express company property, which is taxed at the average statewide mill rate. The state intangible personal property tax is 3.5% of gross income, but not less than 0.1% of the par value of shares.

State: Michigan

Transportation Property Exempt from Taxation:

Railroad Property - (1) Property tax credit of 25% for right-of-way maintenance expenses, (2) operating property exempt from local taxation, but not from special assessments for local improvements

Motor Carrier Property - None

Air Carrier Property - None

Water Carrier Property - Watercraft carrying passengers or freight

INCOME TAX

Corporate business tax: 2.35% of adjusted tax base (variant of net income), excluding first \$40,000

Local option uniform city income tax: 1% (Detroit - 2%) of taxable net profit attributable to operations in the city

GROSS RECEIPTS OR INCOME TAX

None

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

As determined by Public Service Corporation expenses, minimum - \$50 (not applied to railroads)

SALES AND USE TAX

4% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 9 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

None

State: Minnesota

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, air carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value, defined as "the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at private sale and not at forced or auction sale." All railroad operating property is valued as a single unit.

No distinction is made between property used in interstate commerce and property used in intrastate commerce.

Allocation Factors for Determining Full Value: Between States - Fair and reasonable factors - as determined by State Commissioner of Revenue (not specified by statute).

Between Localities in State - All track mileage.

Appraisal Method: Capitalization of income, comparable sales, and replacement cost less depreciation.

Responsibility for Valuation: Operating property - State Commissioner of Revenue. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard:	Same as railroad nonoperating
-Responsibility for Valuation:	Local
Air Carrier Property - Legal Valuation Standard:	Same as railroad nonoperating
- Responsibility for Valuation:	State Commissioner of Revenue
Water Carrier Property - Legal Valuation Standard:	Same as railroad nonoperating
- Responsibility for Valuations:	Local
Industrial Property - Legal Valuation Standard:	Same as railroad nonoperating
- Responsibility for Valuation:	Local
Commercial Property - Legal Valuation Standard:	Same as railroad nonoperating
- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Description</u>	<u>Assessment Level</u> <u>(% of Full Value)</u>
III	Tools, implements, and machinery of gas, water, power, or electric companies	33 1/3%
IV c	One parcel per company per county of locally assessed industrial and commercial property (includes motor and water carriers)	40% of first \$50,000;
	One parcel in state per company of state assessed property (includes railroads and air carriers)	43% of remainder

State: Minnesota

<u>Class</u>	<u>Description</u>	<u>Assessment Level (% of Full Value)</u>
IV a	All real and personal property not otherwise classified (includes personal property of railroads, other carriers, industrials, and commercials, and real property other than Class IV c)	43%

The Minnesota system has four classes with numerous subdivisions; assessment levels range from 5% to 50% of fair market value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except air carrier aircraft property which is taxed by the Commissioner of Revenue at the average statewide property tax rate.

Transportation Property Exempt from Taxation:

Railroad Property - Rolling stock
Motor Carrier Property - Registered motor vehicles
Air Carrier Property - Registered aircraft
Water Carrier Property - None

INCOME TAX

(applies to railroads)

<u>Net Income</u>	<u>Tax Rate</u>
1st \$25,000	6%
greater than \$25,000	12%

GROSS RECEIPTS OR INCOME TAX

<u>Corporation</u>	<u>Tax Rate</u>
Express, taconite railroad	5% of gross earnings
Private railroad car	
Freight line	7% of gross earnings
Sleeping car	6% of gross earnings
Telegraph	6% of gross earnings

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

None

SALES AND USE TAX

State sales tax: 4% of gross receipts (numerous exemptions exist - see Table 5)

Diluth sales tax: 1% of gross receipts

Motor fuels tax: 13 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Annual report fee: \$20

State: Mississippi

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor common carrier, airline, water common carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, gross receipts.

Between Localities in State - Fixed operating property value as a percentage of statewide railroad operating property value.

Appraisal Method: Income capitalization, replacement cost less depreciation, and/or market value of stock and debt.

Responsibility for Valuation: State Tax Commission.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of true value.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Mississippi

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - Motor vehicles (but see Gross Receipts or Income Tax)
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$5,000	3%
greater than \$5,000	4%

GROSS RECEIPTS OR INCOME TAX

Highway privilege tax (in lieu of motor vehicle personal property tax): passenger carriers - 3% of gross receipts; property carriers - based on gross weight from \$7.20/vehicle to \$1,512/vehicle plus \$15/vehicle annual inspection fee

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

\$175,000 is levied against all railroad companies and apportioned to individual railroad companies by their percentage of all track miles statewide

\$700,000 is levied against all other public utilities and apportioned to individual utilities by their percentage of gross receipts

SALES AND USE TAX

5% of gross receipts, generally (railroad track/track structure materials, motor vehicles, and aircraft -3%; manufacturing energy and machinery - 1%; numerous exemptions exist - see Table 5)

Motor fuels tax: Gasoline - 9 cents/gallon; diesel - 10 cents/gallon

CAPITAL STOCK TAX

Franchise tax: \$2.50 per \$1,000 of outstanding capital stock, surpluses, and undivided profits (minimum - \$25)

OTHER TAXES AND FEES

Annual privilege tax:

<u>Corporation</u>	<u>Tax Rate</u>
Railroad	based on class from \$90/track mile (1st class) to \$5/track mile (10th class)
Telephone	4 cents/phone (\$25 minimum)
Electric, lighting, power	\$22.50/pole-line-mile

State: Missouri

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, air carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Original cost less depreciation.

Responsibility for Valuation: Operating property - State Tax Commission.
Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 33-1/3% of true value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Missouri

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate income tax: 5% of net income

Kansas City net profits tax - 1% of net profit of business operations in city

St. Louis net profits tax - 1% of net profit of business operation in city

GROSS RECEIPTS OR INCOME TAX

Freight line tax: 3% of gross receipts

Express company tax: 2.5% of gross receipts

(both taxes in lieu of Corporate income tax)

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Maximum - 0.25% of gross operating revenue (applies to railroads, motor carriers, and air carriers)

SALES AND USE TAX

State sales tax: 3-1/8% of gross receipts (numerous exemptions exist - see Table 5)

County option sales tax: 1% of gross receipts

Municipal option sales tax: 1/2% - 1% of gross receipts

Motor fuels tax: 7 cents/gallon

CAPITAL STOCK TAX

Franchise tax: 0.5% of par value of outstanding shares and surplus (minimum - \$25)

OTHER TAXES AND FEES

None

State: Montana

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Market value, defined as "the value at which property would change hands between willing buyer and willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, gross operating revenue, net income.
Between Localities in State - All track miles.

Appraisal Method: Income capitalization, market value of stock and debt, and/or original cost less depreciation.

Responsibility for Valuation: Localities value fixed property wholly within their boundaries, Department of Revenue values remainder.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State Department of Revenue
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Description</u>	<u>Assessment Level</u> <u>(% of Full Value)</u>
V	New industrial property	3%
VI	Business inventories	4%
VII	Rural utility cooperatives	8%
X	All property not otherwise classified and large trucks (includes railroads)	16%
XI	Certain utility allocations (not railroads)	12% or 15%

There are a total of eleven classes of property with assessment levels ranging from 3% to 100% of market value.

State: Montana

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate income tax: 6-3/4% of net income (minimum - \$50)

GROSS RECEIPTS OR INCOME TAX

Gross receipts tax (in lieu of income tax):

<u>Corporation</u>	<u>Tax Rate</u>
Freight line (private car company)	5.5% of gross receipts
Express	4% of gross receipts
Telephone	1.725% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Maximum - 0.06% of gross operating revenue (applied to railroads, motor carriers, and air carriers)

SALES AND USE TAX

State highway fund: 1.5% of new motor vehicle sale price if bought in first 3 months of introduction, decreasing 3/8 of 1% each subsequent 3 month period

Motor fuels tax: Gasoline - 8 cents/gallon; diesel-10 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Annual report fee: \$5

State: Nebraska

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Actual value, defined as "the value of property for taxation that is ascertained by using the following formula where applicable; (1) earning capacity, (2) relative location, (3) desirability and functional use, (4) reproduction cost less depreciation, (5) comparison of other properties of known or recognized values, (6) current market value in the ordinary course of trade, and (7) existing zoning of the property."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, car and locomotive miles.

Between Localities in State - All track miles, but main track weighted twice that of side track.

Appraisal Method: Replacement cost less depreciation, capitalized income, and/or comparison sales.

Responsibility for Valuation: Operating property - State Board of Equalization. Nonoperating - local.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Air Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Water Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Industrial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of actual value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Nebraska

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$50,000	25% of individual income tax rate (FY1982 - 4.25%)
greater than \$50,000	35% of individual income tax rate (FY1982-5.95%)

GROSS RECEIPTS OR INCOME TAX

None

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION

None

SALES AND USE TAX

State sales tax: 3.5% of gross receipts (numerous exemptions exist - see Table 5)

Local option municipal sales tax: 1/2% - 1% of gross receipts

Motor fuels tax: 13.7 cents/gallon

CAPITAL STOCK TAX

Franchise tax (based on total net worth): from \$10 for less than \$10,000 to \$8,250 for \$100,000,000 or more.

OTHER TAXES AND FEES

Motor carrier fee: \$15/vehicle

Freight railroad tax: 6.7 cents/train-mile plus \$100 for each public grade crossing on the line

State: Nevada

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, air carrier, water carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Full cash value, defined as "the amount at which the property would be appraised if taken in payment of a just debt due from a solvent debtor." All railroad operating property is valued as a single unit.

No distinction is made between property used in interstate commerce and property used in intrastate commerce.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Income capitalization, original cost less depreciation, and/or market value of stock.

Responsibility for Valuation: Operating property - Nevada Tax Commission.
Nonoperating - local.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Same as railroad

Air Carrier Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Same as railroad

Water Carrier Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Same as railroad

Industrial Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad nonoperating
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 35% of full cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Nevada

Transportation Property Exempt from Taxation:

Railroad Property - Operating property in state preservation program while service on line is discontinued
Motor Carrier Property - Motor vehicles (but see Other Taxes and Fees).
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Gas, power, water, electric,
and telephone/telegraph company tax: 2% of net income

GROSS RECEIPTS OR INCOME TAX

None

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Maximum - 4 mills per \$1.00; minimum - \$10 (applied to railroads and other utilities)

SALES AND USE TAX

State sales tax: 5.75% of gross receipts consisting of 2% sales and use tax, 1.5% local school support, and 2.25% city/county relief (exemptions exist - see Table 5)

County option sales tax: 1/4% of gross receipts

Motor fuels tax: Gasoline -.13.7 cents/gallon; diesel - 10.5 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Motor carrier taxes:

Motor vehicle registration fee (based on unladen weight): maximum - \$595/vehicle;
minimum - \$59/vehicle

or (in lieu of above):

- (1) Interstate carriers - \$7/vehicle plus 2.25 cents/mile traveled in state
- (2) Private carriers - \$25/vehicle not exceeding 10,000 lbs of unladen weight (other vehicles are taxed at the interstate carrier rate)

Annual report fee: \$20

State: New Hampshire

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Full and true value in money, defined "as the same in payment of a just debt due from a solvent debtor considering all evidence that may be submitted relative to the value of property, the value of which cannot be determined by personal examination."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - 25% of railroad tax levy is apportioned to localities based on the capital share of buildings and right-of-way located therein; remainder is apportioned by the number of stock shares owned in the locality relative to the statewide total.

Appraisal Method: Market value of stock and debt, capitalized income, and/or reproduction cost less depreciation.

Responsibility for Valuation: Operating property - State Commissioner of Revenue Administration. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of full and true value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: New Hampshire

Transportation Property Exempt from Taxation:

Railroad Property - (1) The governor and council may, after consultation with the State Tax Commission, abate or accept partial payment of any taxes and/or interest or penalties unpaid for the current year and/or any prior year or years as deemed in the best interest of the state; (2) any portion of a railroad which has been open for use for less than 10 years.

Motor Carrier Property - None

Air Carrier Property - None

Water Carrier Property - None

INCOME TAX

Business profits tax: 8% of net profit attributable to New Hampshire plus for FY1982 & FY1983 a surtax of 13.5% of business profits tax (minimum - \$250)

Gas/electric company tax: 9% of net income

GROSS RECEIPTS OR INCOME TAX

None

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

None

SALES AND USE TAX

Motor fuels tax: 14 cents/gallon

CAPITAL STOCK TAX

Minimum - \$60; maximum - \$2,000 (based on authorized capital stock)

OTHER TAXES AND FEES

Annual report fee: \$60 (not applied to railroads or other carriers)

Motor carrier fees: common carriers - \$15/vehicle; contract carriers - \$10/vehicle; interstate carriers - \$5/vehicle (in addition to common or contract carrier fee)

State: New Jersey

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, jitney, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value, defined as "the price which the appraiser believes could be obtained for the property in money, at a fair sale between a willing purchaser and a willing seller."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - Not applicable.

Appraisal Method: Comparison sales, cost approach, and/or income capitalization.

Responsibility for Valuation: Operating property - State Director of Taxation. Nonoperating - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at a percentage of true value as established by each county Board of Taxation. Percentages range from 20% to 100% (in multiples of 10%).

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state railroad property tax is \$4.75/mainstem mile outside of the right-of-way.

State: New Jersey

Transportation Property Exempt from Taxation:

Railroad Property - Operating property (local general taxes only); land within right-of-way
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate business tax: 9% of net income plus tax on net worth ranging from 2-4 mills per dollar of same (minimum: domestic corporations - \$25; foreign - \$50)

GROSS RECEIPTS OR INCOME TAX

Railroad franchise tax: 10% of net operating income (minimum - \$100)

State excise tax (applied to private railroad car, express, street railroad, traction, telephone, telegraph, water, gas, electric, lighting, heat, and power companies): 1.125% of gross receipts (0.75% if receipts less than \$50,000)

Local public utility gross receipts tax (applied to companies subject to state excise tax): 5% of gross receipts (2% if receipts less than \$50,000)

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Maximum -1/6 of 1% of gross operating revenue (applies to all carriers)

SALES AND USE TAX

5% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 8 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Annual report fee: \$15

State: New Mexico

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, airline, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value, defined as "the price estimated in terms of money which property would bring if exposed for sale on the open market between a willing buyer and a willing seller."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Income capitalization, comparison sales, and/or replacement cost less depreciation.

Responsibility for Valuation: State Property Tax Division.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Air Carrier Property - **Legal Valuation Standard:** Gas engine aircraft- 10% of original cost, regardless of age.
Jet propelled aircraft- 80% of original cost depreciated monthly assuming 12-year life (minimum value - 20% of original value)
- **Responsibility for Valuation:** Local

Water Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Industrial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 33-1/3% of fair market value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: New Mexico

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - Registered aircraft
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$1,000,000	4%
next \$1,000,000	5%
greater than \$2,000,000	6%

GROSS RECEIPTS OR INCOME TAX

Private railroad car company tax: 2.5% of gross earnings (in lieu of property tax)

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION

State corporation commission regulated companies (includes railroad and carriers): 1/4 of 1% of gross receipts

Public service commission regulated companies: 1/2 of 1% of gross receipts

SALES AND USE TAX

State sales tax: 3-1/2% of gross receipts (numerous exemptions exist - see Table 5)

Local option sales tax: 1/4 of 1% of gross receipts

Motor fuels tax: 10 cents/gallon

CAPITAL STOCK TAX

Franchise tax: 55 cents/\$1,000 of net worth plus \$10 annual report fee

OTHER TAXES AND FEES

Motor carriers not registered in New Mexico pay trip fees based on gross weight ranging from 3 cents/mile for vehicles less than 26,000 lbs to 8 cents/mile for vehicles greater than 72,000 lbs.

State: New York

PROPERTY TAX

Property Taxable in State: Real

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: None

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Operating and nonoperating property of non-ceiling-value railroad companies (locally valued) - "Value" (not defined by statute). Nonoperating property of ceiling-value railroad companies (locally valued) - "Value" (not defined by statute). Operating property of ceiling-value railroad companies (state-valued) - "Value" not defined by statute but defined in practice as "full value" adjusted by an economic factor (ratio of 3- or 5-year expenses to 3- or 5-year average revenues) to determine ceiling value.

For interstate railroads, revenues and expenses for a 3-year period are used in determining the ceiling value. For intrastate railroads, revenues and expenses for 5-year period are used.

Allocation Factors for Determining Full Value: Between States - Not used.
Between Localities in State - Not used.

Appraisal Method: Reproduction cost less depreciation, capitalization of income, and/or comparison sales.

Responsibility for Valuation: State Board of Equalization & Assessment and local (see Legal Valuation Standard).

Motor Carrier Property - Legal Valuation Standard:	Same as railroad nonoperating property
- Responsibility for Valuation:	Local
Air Carrier Property - Legal Valuation Standard:	Same as railroad nonoperating property
- Responsibility for Valuation:	Local
Water Carrier Property - Legal Valuation Standard:	Same as railroad nonoperating property
- Responsibility for Valuation:	Local
Industrial Property - Legal Valuation Standard:	Same as railroad nonoperating property
- Responsibility for Valuation:	Local
Commercial Property - Legal Valuation Standard:	Same as railroad nonoperating property
- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at a "uniform percentage of value."

State: New York

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction unless the jurisdiction has a classified system of taxation. If a classified system exists, different tax rates may be applied to different classes of property based on the proportion of each class's taxable assessed value to the total taxable assessed value in the assessing unit. Two types of classified systems are allowed.

Mandatory classified system in assessing units
having a population of 1 million or more:

<u>Class</u>	<u>Description</u>
I	Residential property containing not more than 3 dwelling units, excluding condominiums, cooperatives, and certain mobile homes.
II	Residential property other than Class I, excluding hotels, motels, and similar commercial property
III	Public utility property
IV	All property other than Classes I, II, and III (includes railroads and other carriers)

Optional classified system in other assessing units:

<u>Class</u>	<u>Description</u>
I	Residential property containing not more than 3 dwelling units and and farm dwellings, excluding certain mobile homes
II	All property other than Class I

Transportation Property Exempt from Taxation:

Railroad Property-

- (1) total value of operating property owned or operated by a railroad subsidized by the federal or state government;
- (2) total value of certain passenger stations, passenger service related improvements, and land within 5 miles of such stations, passenger service related improvements, and land within 5 miles of such stations in cities with population greater than 1 million;
- (3) total value of certain newly constructed bridges, viaducts, and similar structures;
- (4) increases in value due to improvements of certain bridges, viaducts, and similar structures;
- (5) increases in value due to certain grade crossing improvements and replacement of facilities used for transportation purposes;
- (6) value of operating property exceeding ceiling.

Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

State: New York

INCOME TAX

State tax (applied to omnibus corporations, but not applied to railroads, other carriers, or utilities): (1) 10% of net income, (2) 1-78/100 mills per dollar of New York capital, (3) 10% of 30% of net income plus compensation of officers and stockholders holding 5% or more of issued capital stock, less \$30,000 and any net loss, or (4) \$250, whichever is greatest.

New York City tax (not applied to railroads, other carriers, or utilities): (1) 9% of net income, (2) 1.5 mills per dollar of New York capital, (3) 9% of 30% of net income plus compensation of officers and stockholders holding 5% of more of issued capital stock, less \$15,000 and any net loss, or (4) \$125, whichever is greatest.

GROSS RECEIPTS OR INCOME TAX

State transportation and transmission franchise tax (applied to railroads, other carriers, and utilities, but not applied to omnibus corporations): (1) 0.75% of gross earnings plus 4.5% of dividends greater than 4% of paid-in capital (minimum \$125; New York portion of railroad's interstate activities is exempt) and (2) a capital stock tax of (a) a minimum of \$75 or 1.5 mills per dollar of net value of stock (not less than \$5/share) or (b) if the dividends paid on capital stock amount to 6% or greater, 3/8 mill for each 1% of dividends applied to the par value of such stock

Additional state tax on utilities subject to Public Service Commission regulation (not applied to railroads or other carriers): 3% of gross income

New York City utility gross income tax (applied to certain railroads, certain motor carriers, and utilities): 3.52% of gross income (railroads other than rapid transit, elevated, street surface, or subway); 1.17% of gross operating revenue (bus companies with greater than 7 passengers); 2.35% of gross income (utilities)

New York City transportation corporation tax (applied to air carriers and certain water carriers): 0.5% of gross earnings and a capital stock tax of (1) 1 mill per dollar of net value of issued stock, (2) if dividends of 6% or more of par value are paid, 1/4 mill for each 1% of dividends applied to the par value of such stock, or (3) \$10, whichever is greatest

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

Maximum - 1/3 of 1% of gross operating revenue; minimum - \$10

(Railroads and other carriers are exempt.)

SALES AND USE TAX

State sales tax: 4 - 4 1/4% of gross sales (manufacturing tools, parts, and supplies with a useful life of one year or less - 2%; numerous exemptions exist - see Table 5)

Local option sales tax: 0 - 4% of gross sales

Motor fuels tax: Gasoline - 8 cents/gallon (9 cents/gallon in New York City); diesel - 10 cents/gallon (Fuel used on a railroad train or commercial aircraft is exempt. Omnibus companies are entitled to a refund on fuel used in local transit and a refund of 3 cents/gallon on all other fuel.)

State: New York

CAPITAL STOCK TAX

See Gross Receipts or Income Tax

OTHER TAXES AND FEES

Highway use tax:

- (1) Mileage component (not applied to omnibus companies) -
 - a. based on vehicle gross weight, from 6 mills per mile for 18,001 - 20,000 lbs to 35 mills per mile for 76,001 lbs or greater plus 2 mills for each additional 2,000 lbs, or
 - b. based on unladen weight, trucks - from 4 mills per mile for 8,001 to 9,000 lbs to 27 mills per mile for 25,001 lbs or more; tractors - 6 mills per mile for 4,001 lbs-5,500 lbs to 27 mills per mile for 12,001 lbs or over.
- (2) Fuel use component (applied to New York motor fuel consumption)
 - a. New York motor fuels tax rate, plus
 - b. New York sales and use tax rate applied to motor fuels and highest rate applied to motor fuels by any locality in New York (maximum aggregate - 7%)
 - c. Credits
 1. Motor fuels tax paid in New York
 2. Sales taxes paid in New York on fuel used for New York activities
 3. Carrier payment of similar out-of-state fuel tax on fuel purchased in New York (not to exceed the New York motor fuels tax rate)

State: North Carolina

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, airline, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value in money, defined as "the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, gross operating revenue, ton miles.

Between Localities in State - All track miles, adjusted to reflect density of traffic in local taxing unit.

Appraisal Method: Capitalized income, replacement cost less depreciation, market value of stock and debt, and/or original cost less depreciation.

Responsibility for Valuation: State Board of Assessment.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Air Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Water Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Industrial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

Railroad property - 55% of true value in money. Other property - uniform percentage of appraised value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state intangible personal property tax rates are: 25 cents/\$100 of money on hand, accounts receivable, bonds, notes, and shares of stock; 10 cents/\$100 of money on deposit and insurance funds left with insurer. The state railroad franchise tax rate is 0.75% of the assessed value of personal property.

State: North Carolina

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

6% of net income (applied to all transportation companies)

GROSS RECEIPTS OR INCOME TAX

Freight car line tax: 3% of gross earnings

Pullman, sleeping, chair, and dining railroad cars tax: 10% of gross earnings

Tax on motor common carriers of passengers: 1.9% of gross earnings

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

None

SALES AND USE TAX

State sales tax: 3% of gross receipts, generally (railroad rolling stock, motor vehicles, aircraft, and watercraft - 2%, but cannot exceed \$120/item; manufacturing machinery and equipment - 1%, but cannot exceed \$80/item; numerous exemptions exist - see Table 5)

County option sales tax: 1% of gross receipts

Motor fuels tax: 12 cents/gallon

CAPITAL STOCK TAX

Franchise tax: \$1.50/\$1,000 of value of outstanding capital stock, undivided profits, and surplus

(Railroad companies are exempt from the capital stock tax to the extent of the freight car line gross earnings tax paid)

OTHER TAXES AND FEES

Motor common carrier fee: property carriers - \$0.87/100 lbs of gross weight of vehicle
passenger carriers - \$0.56/100 lbs of gross weight of vehicle

Motor non-common carrier fee: maximum - \$1.15/100 lbs of gross weight of vehicle;
minimum - \$0.46/100 lbs of gross weight of vehicle

Express company tax (based on net income return on average capital invested): from
\$15/mile to \$25/mile

State: North Dakota

PROPERTY TAX

Property Taxable in State: Real, intangible personal property used in business

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, air carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property -

Legal Valuation Standard: True and full value, defined as "the value determined by considering the earning or production capacity, if any, the market value, if any, and all other matters that affect the accrual value of the property to be assessed."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, gross earnings.
Between Localities in State - All track miles.

Appraisal Method: Market value of stock and debt and/or income capitalization.

Responsibility for Valuation: Operating property - State Board of Equalization.
Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Description</u>	<u>Net Assessment Level (% of 50% of Full Value)</u>
I	Residential	9%
II	Agricultural	10%
III	Commercial (including railroad, motor carrier, air carrier nonoperating, and water carrier property)	10%
IV	Centrally assessed (including air carrier operating property)	13% (1982)*

* To decrease 1%/year until 1985 level of 10% is obtained.

State: North Dakota

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except private railroad car and express companies, which are taxed at the statewide average mill rate, and air carrier companies, which are taxed at an average mill rate of cities with airports.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

<u>Net Income</u>	<u>Tax Rate</u>
1st \$3,000	2%
next \$5,000	3%
next \$12,000	4%
next \$10,000	5%
next \$20,000	6%
greater than \$50,000	7%

GROSS RECEIPTS OR INCOME TAX

Rural cooperative utility company tax: 2% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

None

SALES AND USE TAX

3% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 8 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Fee for motor carriers of property: \$4 per ton (minimum \$10) plus registration fee based on gross weight and age of vehicle (maximum - \$2,021; minimum - \$20).

Annual report filing fee: \$10

State: Ohio

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, water carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value in money, defined as "the current market value of the property, and is the price at which it should change hands between informed, willing buyer and seller not acting under compulsion."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Single or first main track miles.

Between Localities in State - All track miles and trackage rights weighted by use.

Appraisal Method: Income capitalization, market value of stock and debt, and/or replacement cost less depreciation.

Responsibility for Valuation: Operating property - State Tax Commission.
Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Same as railroad

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

Real and tangible personal property: 35% of true value in money

Intangible personal property: 100% of true value in money

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state intangible personal property tax is:

State: Ohio

<u>Intangible Personal Property</u>	<u>Tax Rate</u>
Investments	5% of income yield
Unproductive Investments	2 mills per dollar of actual value
Deposits	1 3/8 mills per dollar of actual value
Money and other	3 mills per dollar of actual value

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate income tax (not applied to railroads): (1) 4.71% of the value of issued and outstanding shares of capital stock, determined according to net income, less than \$25,000 plus 8.92% of any excess or (2) 5.5 mills per dollar of the value of all issued and outstanding shares of capital stock, determined according to total value of capital, surpluses, undivided profits, and reserves (whichever produces the greater tax revenue)

GROSS RECEIPTS OR INCOME TAX

<u>Corporation</u>	<u>Tax</u>	(% of gross receipts)
Railroad	5.0%	(4.75% for 1983) plus
Express and telegraph	4.5%	5.55%
Gas, water, electric, heat, power, telephone	3.85%	surtax

Optional city business profit tax: 1.5% to 2% of net profit attributable to the city

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Apportioned to utilities on basis of gross operating revenue, minimum - \$50 (applies to all carriers)

SALES AND USE TAX

State sales tax: 5% of gross receipts (numerous exemptions exist - see Table 5)

Optional county sales tax: 1/2% or 1% of gross receipts

Optional transit authority sales and use tax: 1/2%, 1%, or 1-1/2%.

Motor fuels tax: 11.7 cents/gallon

CAPITAL STOCK TAX

Private railroad car freight line tax: 3.75% of capital stock (in lieu of income tax)

OTHER TAXES AND FEES

Annual carrier fees: \$30/tractor, \$20/truck, or \$4/seat in passenger vehicles

State: Oklahoma

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, air carrier, water carrier, private railroad car and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair cash value, defined as "the estimated price it would bring at a fair voluntary sale for: (1) highest and best use actually used in preceding year; or (2) highest and best use property was classified for."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, main track miles, operating revenue.
Between Localities in State - All track miles.

Appraisal Method: Income capitalization, replacement cost less depreciation, and/or market value of stock and debt.

Responsibility for Valuation: State Board of Equalization.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Common carrier property - State Board of Equalization. Other property - local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as motor carrier
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as motor carrier
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 12% of fair cash value, except property assessed by State Board of Equalization, which is to be at 35% of fair cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Oklahoma

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Net corporate income tax: 4% of net income (applied to railroads)

GROSS RECEIPTS OR INCOME TAX

Freight car tax (applied to companies other than railroad or express in lieu of property tax):
4% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

None

SALES AND USE TAX

State sales tax: 2% of gross receipts (exemptions exist - see Table 5)

Optional city sales tax: 1% - 4% of gross receipts

Motor fuels tax: Gasoline - 6.58 cents/gallon; diesel - 6.5 cents/gallon

CAPITAL STOCK TAX

Annual business license tax (applies to railroads and other carriers): \$1.25/\$1,000 of the
value of outstanding stock and undivided profits

OTHER TAXES AND FEES

Motor carrier fee: \$3/truck, or \$5 truck/tractor

State: Oregon

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads, motor common carriers, air carriers using aircraft greater than 75,000 lbs, water carriers, and private railroad car companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True cash value, defined as "the highest price in terms of money a property will bring if exposed for sale in the open market, allowing a period of time typical for the particular type of property involved and under conditions where both parties are under no compulsion to sell or buy, and are able, willing, and reasonably well informed."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles, branch line miles.

Appraisal Method: Replacement cost less depreciation, capitalized income, and/or market value of stock and debt.

Responsibility for Valuation: State Department of Revenue.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Aircraft greater than 75,000 lbs - State Department of Revenue. Other property - local.
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Watercraft engaged in interstate commerce - State Department of Revenue. Other property - local.
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of true cash value except ships having Oregon home ports that ply the high seas - 4% of true cash value, and all other ships - 40%.

State: Oregon

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - Railroad car undergoing major work is exempt until repairs are complete
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate excise tax: 7.5% of net income (minimum - \$10)

Multnomah (Portland) business tax: 0.6% of net income greater than \$10,000

GROSS RECEIPTS OR INCOME TAX

None

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

0.25% of gross operating revenue (applies to railroads, motor common carriers, air carriers using aircraft greater than 75,000 lbs, water carriers, and private railroad car companies)

SALES AND USE TAX

Motor fuels tax: 8 cents/gallon

CAPITAL STOCK TAX

Business franchise tax (based on authorized capital stock): maximum - \$200; minimum - \$10

OTHER TAXES AND FEES

Motor carrier highway use tax (based on gross weight):

Diesel engine carriers - maximum - 75.5 mills/mile or \$370 flat fee; minimum - 7 mills/mile or \$160 flat fee

Gasoline engine carriers - maximum - 46 mills/mile or \$160 flat fee; minimum - 1.5 mills/mile or \$40 flat fee

State: Pennsylvania

PROPERTY TAX

Property Taxable in State: Real, intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroads and motor, air, and water common carriers.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value, defined as "the price which a purchaser, willing but not obliged to buy, would pay an owner willing but not obliged to sell, taking into consideration all uses to which the property is adapted and might in reason be applied."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - Not applicable.

Appraisal Method: Income capitalization, and/or original cost less depreciation.

Responsibility for Valuation: Operating property - State Department of Revenue. Nonoperating property - local.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Air Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Water Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Industrial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

Locally determined: 25% - 100% of fair market value.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state public utility real property tax rate (applied to railroads) is 3% of the fair market value of real operating property (in lieu of local real property tax on operating property, except in Philadelphia and Pittsburgh, where railroad operating property, excluding right-of-way is locally taxed. The county personal property tax rate is 0.4% of the value of intangible personal property.

State: Pennsylvania

Transportation Property Exempt from Taxation:

Railroad Property - Real operating property (but see Taxation of Transportation and Business Property)
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate income tax: 10.5% of net income (applied to railroad and other public utilities)

GROSS RECEIPTS OR INCOME TAX

Public utility tax: 4.5% of gross receipts (During the period 1981-1986, railroads are allowed a credit equal to 25% of the right-of-way maintenance and improvement costs. To qualify for the credit the railroad must: (1) spend, in Pennsylvania, twice the previous year's credit (budgeted right-of-way maintenance and improvement costs must increase by an amount equal to the credit), (2) transfer any abandoned portion of its right-of-way to the Department of Environmental Resources at fair market value within five years (real property taxes continue unless the property is conveyed to the Commonwealth for recreational purposes), and (3) if possible, use rail manufactured in the United States. The credit may not exceed the tax due.)

Motor carrier excise tax: 0.8% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

0.3% of gross operating revenue (applies to railroads and other carriers)

SALES AND USE TAX

State sales tax: 6% of gross receipts (numerous exemptions exist - see Table 5)

Local option wholesalers tax: 3/4 - 4 mills/\$1

Local option retailers tax: 1 - 3 mills/\$1

Motor fuels tax: 11 cents/gallon

CAPITAL STOCK TAX

Business franchise tax: 1% of whole capital stock

OTHER TAXES AND FEES

Corporate loans tax: 0.4% of the loan value

State: Rhode Island

PROPERTY TAXES

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Water common carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair and full cash value, defined as "the price that property would probably bring in a fair market transaction between parties."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Comparable sales, and/or replacement cost less depreciation.

Responsibility for Valuation: Local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

Locally determined: 10% - 100% of full and fair cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except the operating property of express, telegram, and telegraph companies, which are taxed at the average statewide mill rate.

State: Rhode Island

Transportation Property Exempt from Taxation

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - Vessels in foreign commerce (but see Income Tax)

INCOME TAX

Corporate income tax: 8% of net income or 40 cents/\$100 of net worth (minimum - \$100)

Tax on vessels in foreign commerce: 1% of net earnings (in lieu all other taxes)

GROSS RECEIPTS OR INCOME TAX

Public utilities tax (in lieu of income tax; minimum - \$100):

<u>Corporation</u>	<u>Tax Rate</u>
Railroad, private railroad car, and steamboat	1-1/4% of gross earnings
Electric, heat, power, telegram, and express	4% of gross earnings
Cable, telephone, and gas	3% of gross earnings

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Railroad, motor, air, and water common carrier, gas, water, electric, telephone, and telegraph companies are proportionately charged for 80% of the commission's expenses not exceeding \$500,000.

SALES AND USE TAX

6% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: 10 cents/gallon

CAPITAL STOCK TAX

Franchise tax: \$2.50/\$1,000 of authorized capital stock (minimum - \$100)

OTHER TAXES AND FEES

Motor carrier fee: \$7/vehicle

Annual report fee: \$15

State: South Carolina

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True value in money, defined as "the price which the property would bring following reasonable exposure to the market, where both the seller and the buyer are willing, are not acting under any compulsion, and are reasonably well informed as to the uses and purposes for which it is adapted and for which it is capable of being used."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - Main track miles.

Appraisal Method: Original cost of property with no increase in value due to replacements (replacement factor in lieu of obsolescence and depreciation) or replacement cost less depreciation, income capitalization, and/or comparable sales.

Responsibility for Valuation: State Tax Commission.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State Tax Commission
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State Tax Commission
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State Tax Commission and Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as industrial

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Property Description</u>	<u>Assessment Level (% of Full Value)</u>
I	Manufacturing, gas, electric, water, telephone, telegraph company property	10.5%
II	Business inventories	6%
III	Residential property	4%
IV	Agricultural property	4%
V	All other real property	6%
VI	All other personal property	10.5%
VII	Transportation company property	9.5%

State: South Carolina

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except commercial aircraft and private railroad cars, which are taxed at the statewide average rate. The state railroad, navigation, express, and private railroad car franchise (property) tax rate is 0.1% of the assessed value of real and personal property.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate income tax: 6% net income

GROSS RECEIPTS OR INCOME TAX

Railroad, navigation, express, and private railroad car franchise tax: 0.3% of gross receipts

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

Variable, determined by Public Service Commission's expenses; apportioned by gross operating revenue (applies to railroads and other carriers)

SALES AND USE TAX

4% of gross receipts (heating fuel 1982-1983 - 1%, after 1983 - 0%; numerous exemptions exist - see Table 5)

Motor fuels tax: 13 cents/gallon

CAPITAL STOCK TAX

Franchise tax: 0.1% of dollars paid to capital stock and paid in surpluses (minimum - \$10) (Not applied to railroad, navigation, express or private railroad car companies.)

OTHER TAXES AND FEES

Municipal railroad license fee (based on population of municipality): maximum - \$2,000; minimum - \$10

Motor carrier fee: property carriers - 1/4 mill per ton mile; passenger carriers - 1/4 cent per seat per mile

State: South Dakota

PROPERTY TAX

Property Taxable in State: Real, tangible personal state-assessed property

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, air carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True and full value, defined as "the usual cash selling price at the place where the property to which the term is applied shall be at the time of assessment."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Main track miles, side track miles, gross earnings, or other methods that are reasonable and equitable.

Between Localities in State - Value per mile of main and side tracks.

Appraisal Method: Market value of stock and debt and/or income capitalization.

Responsibility for Valuation: Operating property - State Commissioner of Revenue. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 60% of true and full value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except airline companies, which are taxed at the average statewide mill rate. The state property tax rate may not exceed 2 mills per dollar of assessed value. The state highway fund tax rate may not exceed 0.1 mills per dollar of assessed value.

State: South Dakota

Transportation Property Exempt from Taxation:

Railroad Property - Right-of-way and track maintenance credit: 100% of amount expended credited against local taxes for each of the next three years. (Not applied to railroad companies carrying greater than 10 million net ton miles/miles annually or if repair/replacement was due to washout, fire, or train derailment.)

Motor Carrier Property - None

Air Carrier Property - None

Water Carrier Property - None

INCOME TAX

None

GROSS RECEIPTS OR INCOME TAX

Express and private railroad car company tax: 6% of gross earnings (in lieu of all other state taxes)

Rural electric and water company tax: 2% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Special hearing fund tax: 0.15% of gross operating revenue (not applied to railroads or other carriers)

SALES AND USE TAX

State sales tax: 4% of gross receipts (exemptions exist - see Table 5)

Local option sales tax: 1 - 2% of gross receipts

Motor fuels tax: 13 cents/gallon

CAPITAL STOCK TAX

\$5/\$1,000 of the value of any increase in shares in the preceding year between \$50,000 and \$100,000; thereafter at the rate of \$4/\$500,000

OTHER TAXES AND FEES

Motor carrier fee (based on gross weight): from \$89 for 4,000 lbs or less to \$254 plus \$40/ton in excess of 10 tons

State: Tennessee

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor, air, or water common carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: "The value of all property shall be ascertained from evidences of its sound, intrinsic, and immediate value, for purposes of sale between a willing buyer and a willing seller without consideration of speculative values."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, original cost, revenue, ton track miles, ton miles, passenger miles, originating and terminating tons.

Between Localities in State - Original cost, main line miles, traffic density, gross revenue.

Appraisal Method: Original cost less depreciation less obsolescence, market value of stock and debt, and/or income capitalization.

Responsibility for Valuation: Operating property - State Public Service Corporation. Nonoperating property - local.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Air Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Same as railroad

Water Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Same as railroad

Industrial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

<u>Class</u>	<u>Description of Property</u>	<u>Assessment Level (% of Full Value)</u>
I	Transportation and public utility, real and personal property	55%
II	Commercial/Industrial real property	40%
III	Commercial/Industrial personal property	30%
IV	Residential, real property	25%
V	Agricultural, real property	25%

Note: Tangible personal property not held by transportation, public utility, industrial, or commercial company will be considered to have no taxable value after 1977.

State: Tennessee

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

Corporate excise tax (applies to railroads and other carriers): 6% of net earnings

GROSS RECEIPTS OR INCOME TAX

Public utility tax:

Gas companies - 1.5% of gross receipts
Water, electric, telephone, and telegraph companies - 3% of gross receipts

Annual report fee (applies to railroads and all other carriers): 0.5% of gross receipts or a flat fee based on capital stock (maximum - \$150; minimum - \$5)

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT OF THE REGULATORY COMMISSION

Railroads: 1 cent/1,000 ton mile (minimum - \$100)

Water, electric, gas, telephone, and telegraph companies (based on gross receipts): \$3/\$1,000 of first \$1,000,000; \$0.75/\$1,000 thereafter (minimum - \$10)

SALES AND USE TAX

State sales tax: 4.5% of gross receipts (natural gas and electricity not directly used in manufacturing process - 1/5%; water - 1%; manufacturing machinery and equipment - 0.25%, after 7/83 - 0%; numerous exemptions exist - see Table 5)

County option sales tax: 0.25% to 2.25% of gross receipts

City option sales tax: 0.25% to 2.25% of gross receipts

Motor fuels tax: Gasoline - 9/cents/gallon; diesel - 12 cents/gallon

CAPITAL STOCK TAX

Corporate franchise tax (applies to railroads and other carriers): \$0.15/\$100 of outstanding capital stock, surplus, and undivided profits (minimum - \$10)

OTHER TAXES AND FEES

Motor carrier fee: \$5/vehicle plus fee per vehicle based on gross weight (maximum - \$1,300; minimum - \$47.50)

State: Texas

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Market value, defined as "the price at which a property would transfer for cash or its equivalent under prevailing market conditions if: (A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser; (B) both the seller and the buyer know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and (C) both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - "Portion of railroad rolling stock that fairly reflects its use."
Between Localities in State - All track miles.

Appraisal Method: Replacement cost less depreciation and/or comparable sales.

Responsibility for Valuation: Intangible property - State Property Tax Board.
Other property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of market value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Texas

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

None

GROSS RECEIPTS OR INCOME TAX

Public utility tax (based on gross receipts and local population):

Gas, electric, power, and water companies - 0.58% to 1.997% of gross receipts
Telegraph companies - 1.5% to 2.275% of gross receipts
Telephone companies - 1.65% to 2.5025% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

1/6 of 1% of gross receipts (applied to railroads and other carriers)

SALES AND USE TAX

State sales tax: 4% of gross receipts (numerous exemptions exist - see Table 5)

Local option sales tax: 1% of gross receipts

Motor fuels tax: Gasoline - 5 cents/gallon; diesel - 6.5 cents/gallon

CAPITAL STOCK TAX

\$4.25/\$1,000 of stated capital, surplus, and undivided profit or if total assets are less than \$1,000,000, a flat fee based on total assets, ranging from \$35 to \$4,270 (applied to railroads and other carriers)

OTHER TAXES AND FEES

Motor carrier fee: \$10/vehicle

State: Utah

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor, air, or water common carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair cash value, defined as "the amount at which the property would be taken in payment of a just debt due from a solvent debtor."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - Main track miles, side track miles, passing track miles.

Appraisal Method: Income capitalization, market value of stock and debt, replacement cost less depreciation*, and/or comparable sales*.

*Local assessment reduced by 20% to reflect fair cash value

Responsibility for Valuation: Intercounty operating property - State Tax Commission. Other property - local.

Motor Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Same as railroad

Air Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Same as railroad

Water Carrier Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Same as railroad

Industrial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Commercial Property - **Legal Valuation Standard:** Same as railroad
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 20% of fair cash value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction.

State: Utah

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

4% of net income (minimum - \$25)

GROSS RECEIPTS OR INCOME TAX

None

GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION

Maximum - 0.3% of gross operating revenue; minimum - \$50 (applied to railroads and other carriers)

SALES AND USE TAX

State sales tax: 4% of gross receipts (exemptions exist - see Table 5)

Statewide county sales tax: 0.75% of gross receipts

Motor fuels tax: 11 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

None

State: Vermont

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, steamboat, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Appraisal value (estimated fair market value), defined as "the price which the property will bring in the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition which combine to give property a fair market value."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Earnings, all track miles.

Between Localities in State - All track miles.

Appraisal Method: Market value of stock and debt and/or capitalization of income.

Responsibility for Valuation: Operating property - State Commissioner of Taxes. Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Steamboat carrier operating property - State Commissioner of Taxes. Other property - local
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 50% of appraisal value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction. The state public utility (including railroad) property tax is 1.0% of the assessed value of all real and tangible property. The state property tax applied to steamboat, private railroad car, and express companies is 0.25% of the assessed value of all real and tangible property.

State: Vermont

Transportation Property Exempt from Taxation:

Railroad Property - Operating property (exempt from local property taxes, but see Taxation of Transportation and Other Business Property)
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

(not applied to railroad, express, steamboat, or private railroad car companies)

<u>Net Income</u>	<u>Tax Rate</u>
1st \$10,000	5%
next \$15,000	6%
next \$225,000	7%
greater than \$250,000	7.5%

GROSS RECEIPTS OR INCOME TAX

Public utility tax:

Express - \$16/operating mile
Telegraph - 4-1/4% of gross receipts or, at taxpayers option, \$1/pole mile (single wire) plus \$0.75/additional wire mile
Telephone (based on quarterly gross operating revenue) - maximum, 5-1/4%; minimum, 2-1/4%

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Railroad companies: 0.01% of gross operating revenue

Telephone and electric companies: 0.4% of gross operating revenue

Gas and other regulated companies: 0.1% of gross operating revenue

SALES AND USE TAX

4% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: Gasoline - 11 cents/gallon; diesel - 14 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Annual report fee (foreign corporations only): \$100

State: Virginia

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, common and contract motor carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair market value, defined as "the price which the property will bring when offered for sale by one who desires, but is not obliged to sell it, and is bought by one who is under no necessity of having it."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Main track miles, side track miles.

Between Localities in State - Main track miles, side track miles.

Appraisal Method: Replacement cost less depreciation, comparable sales, and/or income capitalization.

Responsibility for Valuation: State Corporation Commission.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Air Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Water Carrier Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Industrial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Commercial Property - Legal Valuation Standard: Same as railroad
- Responsibility for Valuation: Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of fair market value.

Taxation of Transportation and Other Business Property - Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other within a taxing jurisdiction. The state railroad rolling stock tax rate is 1% of assessed value.

State: Virginia

Transportation Property Exempt from Taxation:

Railroad Property - Rolling stock (exempt from local property taxes, but see Taxation of Transportation and Other Business Property)
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

6% of net income (applied to railroads and other carriers)

GROSS RECEIPTS OR INCOME TAX

Public utility taxes:

Telegraph companies - $3\frac{5}{8}\%$ of gross receipts plus \$2.25/pole mile
Electric, gas, water companies - $1\frac{1}{8}\%$ of first \$100,000 of gross receipts; $3\frac{1}{2}\%$ of amount greater than \$100,000

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

0.2% of gross receipts (applied to railroads and other carriers; railroad corporations maximum - \$300,000)

SALES AND USE TAX

State sales tax: 3% of gross receipts (motor vehicles, aircraft, and watercraft - 2%; numerous exemptions exist - see Table 5)

County option sales tax: 1% of gross receipts

City option sales tax: 1% of gross receipts

Motor fuels tax: 11 cents/gallon

CAPITAL STOCK TAX

30 cents/\$100 of value of capital stock (not applied to railroads)

OTHER TAXES AND FEES

Motor carrier tax: (1) 13 cents/gallon, with provision for motor fuels tax credit; (2) gross weight tax, ranging from \$1.30/1,000 lbs to \$12.00/1,000 lbs; (3) \$3/passenger motor carrier vehicle or \$5/property motor carrier vehicle.

State: Washington

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: All common and contract carriers.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True and fair value, defined as "the amount of money a buyer willing but not obligated to buy would pay for the property to a seller willing but not obligated to sell it."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles, car miles.
Between Localities in State - All track miles.

Appraisal Method: Original cost less depreciation, market value of stock and debt, income capitalization, and/or comparable sales.

Responsibility for Valuation: Intercounty operating property - State Tax Commission. Nonoperating and intracounty operating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of true and fair value.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other within a taxing jurisdiction. The state motor vehicle excise tax rate is 2.2% of assessed value.

State: Washington

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - Motor vehicles
Air Carrier Property - None
Water Carrier Property - None.

INCOME TAX

Business and occupation tax (not applied to public utility taxpayers): ranging from 0.001% to 1% of gross income; water and air carriers - 1% of gross income (city or county option additional levy - 0.5%) or 0.125% to 0.44% of the value of the product produced, plus a surcharge of 7%.

GROSS RECEIPTS OR INCOME TAX

Public utility taxes: Railroads, railroad car, water, light, power, telephone, and telegraph companies - 3.6% of gross receipts

Water carriers with vessels not greater than 65 feet - 0.6% of gross receipts
Common and contract motor carriers - 1.8% of gross receipts
Gas companies - 3% of gross receipts

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Railroads: 1.5% of gross operating receipts

Motor and water carriers - 0.4% of gross operating receipts

Air carrier and other public utility companies - 0.1% of gross operating receipts not exceeding \$50,000; 0.2% of gross operating receipts thereafter

SALES AND USE TAX

5.4% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: 12 cents/gallon

CAPITAL STOCK TAX

Privilege tax: flat fee based on authorized capital stock (maximum - \$3,125; minimum - \$37.50)

OTHER TAXES AND FEES

Annual report fee: \$5

Motor carrier fees (based on gross weight): maximum - \$48/vehicle; minimum - \$7/vehicle

State: West Virginia

PROPERTY TAX

Property Taxable in State: Real, tangible and intangible personal

Taxes Levied by: Local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: All carriers

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: True and actual value, defined as the "price for which such property would sell if voluntarily offered for sale by the owner upon such terms as such property, the value of which is sought to be ascertained, is usually sold and not the price which might be realized if such property were sold at a forced sale."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Replacement costs and five-year averages of traffic units, gross receipts, and car or locomotive miles.

Between Localities in State - Value per mile of side, main, and/or spur tracks as determined by State Tax Commission.

Appraisal Method: Market value of stock and debt, replacement cost less depreciation, income capitalization, and/or comparable sales.

Responsibility for Valuation: Operating property - State Tax Commission.
Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Same as railroad
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at not less than 60% of true and actual value.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: Tax rates vary between property classes, with maximum total tax rates per \$100 of assessed value as follows:

State: West Virginia

<u>Class</u>	<u>Description</u>	<u>Maximum Total Tax Rate per \$100 of Assessed Value</u>
I	Intangible personal property, agricultural personal property	\$0.50
II	Agricultural and owner-occupied residential real property	\$1.00
III	All property outside municipalities, other than Class I or II	\$1.50
IV	All property inside municipalities, other than Class I or II	\$2.00

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

6% of net income (applied to railroads and other carriers)

GROSS RECEIPTS OR INCOME TAX

Public utility taxes:

Nontelephone company (includes railroads and other carriers): 9.9% of gross receipts
Telephone company: 7.48% of gross receipts

Business occupation tax: 0.71% to 8.63% of gross proceeds of sales, income, or production
(not applied to railroads or other carriers)

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Maximums - 0.1% of assessed value; 0.4% of gross operating revenue (applied to railroads
and other carriers)

SALES AND USE TAX

5% of gross receipts (exemptions exist - see Table 5)

Motor fuels tax: 10.5 cents/gallon

CAPITAL STOCK TAX

Franchise tax (applies to railroads and other carriers): flat fee ranging from \$20 to \$2,500
(foreign corporations pay an additional 75%; minimum - \$250)

OTHER TAXES AND FEES

Motor carrier fees:

Passenger carriers - based on number of seats, from \$16.50/vehicle to \$57/vehicle

Property carriers - based on gross weight, from \$12/vehicle to \$57 plus \$4.50 per ton
in excess of 10 tons/vehicle

State: Wisconsin

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: Railroad, motor carrier, air carrier, private railroad car, and express companies.

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Full value, defined as "the price that is readily obtainable at a private sale."

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - All track miles.

Between Localities in State - All track miles.

Appraisal Method: Market value of stock and debt, income capitalization, original cost less depreciation, and/or comparable sales.

Responsibility for Valuation: Operating property - State Department of Revenue. Nonoperating property - local.

Motor Carrier Property - Legal Valuation Standard: Same as railroad
- **Responsibility for Valuation:** Same as railroad

Air Carrier Property - Legal Valuation Standard: Same as railroad
- **Responsibility for Valuation:** Same as railroad

Water Carrier Property - Legal Valuation Standard: Same as railroad
- **Responsibility for Valuation:** Same as railroad

Industrial Property - Legal Valuation Standard: Same as railroad
- **Responsibility for Valuation:** Manufacturers property - State Department of Revenue. Other property - local.

Commercial Property - Legal Valuation Standard: Same as railroad
- **Responsibility for Valuation:** Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 100% of full value.

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other property within a taxing jurisdiction, except railroad, airline, sleeping car, telegraph, telephone, light, heat, power, and pipeline companies, which are taxed at the statewide average mill rate. The state real and personal property tax rate is 0.02% of assessed value.

State: Wisconsin

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - Motor vehicles (but see Other Taxes and Fees)
Air Carrier Property - None
Water Carrier Property - Interstate vessels (but see Other Taxes and Fees)

INCOME TAX

7.9% of net income plus 10% surtax (not applied to railroads or private railroad car companies)

GROSS RECEIPTS OR INCOME TAX

Private railroad car company tax: 6% of gross earnings

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Tax on public utilities other than motor common carriers (applied to railroads, air carriers, and contract motor carriers): maximum - 1% of gross operating revenue

Tax on motor common carriers: maximum - 0.07% of gross operating revenue

SALES AND USE TAX

5% of gross receipts (numerous exemptions exist - see Table 5)

Motor fuels tax: 13 cents/gallon

CAPITAL STOCK TAX

None

OTHER TAXES AND FEES

Motor carrier fees (in lieu of motor vehicle property taxes): (1) \$5/interstate vehicle or \$30/intrastate vehicle, (2) \$10/common carrier vehicle, and (3) gross weight tax ranging from \$30 to \$1,683

Interstate water carrier fee (in lieu of all property taxes): 1 cent/net ton of vessel

Annual report fee: foreign - \$25, domestic - \$10

State: Wyoming

PROPERTY TAX

Property Taxable in State: Real, tangible personal

Taxes Levied by: State and local jurisdictions

Transportation Companies Considered Public Utility for Tax Purposes: All carriers

Valuation of Transportation and Other Business Property - Determination of Full Value:

Railroad Property-

Legal Valuation Standard: Fair value (not defined by statute).

No distinction is made between property used in interstate commerce and property used in intrastate commerce or between operating and nonoperating property.

Allocation Factors for Determining Full Value: Between States - Main track miles.

Between Localities in State - Main track miles.

Appraisal Method: Reproduction cost new less depreciation and obsolescence and/or income capitalization.

Responsibility for Valuation: Operating property - State Board of Equalization.
Nonoperating property - local.

Motor Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State Board of Equalization
Air Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State Board of Equalization
Water Carrier Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	State Board of Equalization
Industrial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	local
Commercial Property	- Legal Valuation Standard:	Same as railroad
	- Responsibility for Valuation:	Local

Assessment of Transportation and Other Business Property - Determination of Taxable Value:

All property is to be assessed at 25% of fair value. Personal property valuation adjustments: (1) telephone and telegraph companies - adjustment factor is based on ratio of gross operating revenue to plant investment and ranges from 20% for ratios of 14.5% or less to 90% for ratios from 23.5% to 25%. (2) Electric companies - adjustment factor is the ratio of company's gross operating revenue per line mile to statewide average (maximum - 100%).

Taxation of Transportation and Other Business Property: Legal Standard for Property Tax Rates: The same local tax rates are applied to all types of transportation and other within a taxing jurisdiction, except private railroad car companies, which are taxed at the average statewide levy. The state real and personal property tax rate may not exceed 1.0% of assessed value.

State: Wyoming

Transportation Property Exempt from Taxation:

Railroad Property - None
Motor Carrier Property - None
Air Carrier Property - None
Water Carrier Property - None

INCOME TAX

None

GROSS RECEIPTS OR INCOME TAX

None

**GROSS RECEIPTS TAX LEVIED FOR THE SUPPORT
OF THE REGULATORY COMMISSION**

Maximum - 0.3% of gross receipts (applies to railroads and other carriers)

SALES AND USE TAX

State sales tax: 3% of gross receipts (numerous exemptions exist - see Table 5)

County option sales tax: 0.5% to 1% of gross receipts

Motor fuels tax: Gasoline only - 8 cents/gallon

CAPITAL STOCK TAX

Franchise tax: flat fee based on corporate assets, ranging from \$10 for no greater than \$50,000 to \$100 for the first \$1,000,000 plus \$100 for each additional fraction thereof.

OTHER TAXES AND FEES

Highway use tax:

Vehicles of less than 16,000 lbs of unladen weight - \$0.025/traveled mile or flat fee based on unladen weight: (1) gasoline powered - from \$6 to \$84/vehicle; (2) non-gasoline-powered - from \$48 to \$144/vehicle.

Vehicles of greater than 16,000 lbs of unladen weight: (1) gasoline powered passenger carriers - \$0.017/traveled mile; (2) gasoline-powered property carriers - \$0.0015/ton mile; (3) non-gasoline-powered - \$0.0026/ton mile

Corporate assets transfer toll charge (applied to corporations leaving Wyoming): based on net actual value of transferred property, ranging from 1% of first \$1,000,000 to 0.1% of \$1,000,000 or more.