NEBRASKA ADMINISTRATIVE CODE

Title 350 - Nebraska Department of Revenue ~~Property Assessment and Taxation~~

Chapter 30 - Property Valued By The State Regulations

Effective Date ~~1/3/07~~

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Title 350 - Nebraska Department of Revenue ~~Property Assessment and Taxation~~

Chapter 30 - Property Valued By The State Regulations

REG-30-001 PURPOSE

001.01 The purpose of these regulations is to govern the method by which specifically identified centrally assessed property is valued and how that value is allocated to the State of Nebraska for property tax purposes by the Property Tax Administrator. The types of property include railroad operating property, public service entity operating property, car line company property, and air carrier flight equipment.

001.02 For railroad companies REG-30-006 and public service entities REG-30-005, the law requires the Property Tax Administrator to value the operating property, to allocate a portion of the value to Nebraska, and to distribute the taxable value to the counties and the various political subdivisions for assessment and tax collection.

001.03 For car line company property REG-30-004 and air carrier flight equipment REG-30-003, the law requires the Property Tax Administrator to value the property and collect the taxes. The State Treasurer is required to distribute the taxes to the counties.

001.04 The ~~Property Tax Administrator~~ Tax Commissioner is responsible for hearing administrative appeals of a company's valuation or the method of allocation. The ~~Property Tax Administrator~~ Tax Commissioner shall act upon such appeal and issue a written order. The ~~Property Tax Administrator's~~ Tax Commissioner's order may be appealed pursuant to Neb. Rev. Stat. Section 77-5013. See Practice and Procedure Regulations, Chapter 90.

001.05 The Tax Equalization and Review Commission is responsible for equalizing the valuation of centrally assessed real property. Specific procedures governing an appeal of the equalization of this property are found in the Tax Equalization and Review Commission Act.

(Neb. Rev. Stat. Sections 77-601, 77-602, 77-604 77-606, ~~through~~ 77-609, 77-611, 77-615, 77-616, 77-621, 77-623, 77-679 through 77-682, ~~77-683, 77-685 through 77-691,~~ 77-686, 77-688, 77-693, ~~77-702, 77-803~~, 77-804, 77-1244, ~~through~~ 77-1245, 77-1246, 77-1248~~, 77-1250~~ and 77-5030, R.R.S. 2003, ~~and~~ Neb. Rev. Stat. Sections ~~77-603, 77-612, 77-684,~~ 77-801, 77-802, ~~77-1249,~~ 77-5013 and 77-5022, R.S. Supp., 2006 and Neb. Rev. Stat. Sections 77-603, 77-605, 77-607, 77-612, 77-683, 77-684, 77-685, 77-687, 77-689, 77-690, 77-691, 77-702, 77-803, 77-804, 77-1247, 77-1249 and 77-1250, R.S. Supp., 2007.)

REG-30-002 DEFINITIONS

002.01 Air carrier shall mean any person, firm, partnership, corporation, association, trustee, receiver, or assignee, and all other persons whether or not in a representative capacity, undertaking to engage in the transportation of persons or cargo for hire by aircraft.

002.02 Allocation is the process of assigning a portion of a company's unit value to the state.

002.03 Car line company shall mean any person other than a railroad company, owning or operating any railroad cars of any description through, in, or into the state of Nebraska.

002.04 Centrally assessed property shall mean owned or leased operating property of railroad companies, public service entities, car line companies, and air carrier flight equipment valued by the state.

002.05 Distribution of value is the process of assigning a portion of the company's allocated taxable value to the taxing subdivisions of the state.

002.06 Franchise value is the value that attaches to a group of tangible taxable assets operating as a unit or a whole.

002.07 Locally assessed property shall mean property valued by the assessor. Locally assessed property shall include nonoperating property, owned or leased by a centrally assessed company, that does not contribute to a company's primary function.

002.08 Person shall be defined to include bodies politic and corporate, societies, communities, individuals, partnerships, joint stock companies, and associations.

002.09 Public service entity shall mean any person or company organized for profit under the laws of this state or any other state or government and engaged in the business of waterworks, electrical power, gasworks, natural gas, telecommunications, pipelines used for the transmission of oil, heat, steam, or any substance to be used for lighting, heating, or power, and pipelines used for the transmission of articles of pneumatic or other power, and all other similar or like entities.

002.10 Railroad company shall mean any person, association, company, or corporation owning, controlling, or operating a railroad in this state, or owning, controlling, or operating any station, depot, track, terminal, or bridge in this state for railroad purposes as owner, lessee, or otherwise.

002.11 Taxable value shall mean actual value of real property and franchise where applicable, and net book value of tangible personal property.

002.12 Taxing subdivision refers to the governmental entity empowered to levy a property tax.

002.13 Unit value shall mean the valuation of the operating company as an integrated group of assets functioning as an economic unit without reference to the independent value of the component parts.

002.14 Operating property shall mean property that is owned or leased and contributes to the operation or purpose of a centrally assessed company, entity, or carrier.

002.15 Nonoperating property shall mean property that is owned or leased and does not contribute to the operations or primary purpose of a centrally assessed company, entity or carrier.

002.16 Telecommunications means the transmission, between or among points specified by the subscriber, of information of the subscriber's choosing, without a change in the form or content of the information as sent or received.

002.17 Telecommunications company means any person, firm, partnership, limited liability company, corporation, association, or governmental entity offering telecommunications service.

002.18 Telecommunications service means the offering of telecommunications for a fee.

002.19 Net book value shall be the Nebraska adjusted basis of tangible personal property multiplied by the appropriate Nebraska depreciation factor. Net book value as a percentage of Nebraska adjusted basis is premised upon the one-hundred-fifty (150) percent declining balance method, switching to straight line, with a one-half-year convention.

(Neb. Rev. Stat. Sections 77-602, 77-679~~, 77-702~~ and 77-1244, R.R.S. 2003 and Neb. Rev. Stat. Sections 13-509, 77-801, 86-117, 86-119 and 86-121, R.S. Supp., 2006 and Neb. Rev. Stat. Section 77-702, R.S. Supp., 2007.)

REG-30-003 AIR CARRIERS

003.01 Taxpayer's Responsibilities.

003.01A On or before June 1 of each year, an air carrier engaged in interstate business in Nebraska during the preceding year ending December 31,shall furnish a complete and accurate report pursuant to Neb. Rev. Stat. Section 77-1247 to the Property Tax Administrator on prescribed forms.

003.02 Property Tax Administrator's and Tax Commissioner's Responsibilities and Penalties.

003.02A The ~~Property Tax Administrator~~ Tax Commissioner may assess a penalty in the amount of one-hundred ($100.00) dollars per day, but not exceeding ten thousand ($10,000.00) dollars, for failure or refusal to furnish the information required by the report specified in REG-30-003.01A. The penalty is collected by the Tax Commissioner ~~Property Tax Administrator~~. Upon written request by the air carrier, the ~~Property Tax Administrator~~ Tax Commissioner may waive the penalty in whole or in part for good cause shown.

003.02A(1) In the event that the air carrier shall feel aggrieved as to the assessment of a penalty, an appeal may be filed with the ~~Property Tax Administrator~~ Tax Commissioner pursuant to the Practice and Procedure REGS, Chapter 90.

003.02B Upon written request and for good cause shown, the Property Tax Administrator may allow up to a thirty (30) day extension of time to file the report required in REG-30-003.01A. Such extension shall not exceed thirty (30) days after June 1.

003.03 Assessment.

003.03A The Property Tax Administrator shall annually determine the taxable value of all flight equipment as of January 1, 12:01 am, based on information provided by the company, as well as other available sources.

003.03B The Property Tax Administrator shall determine the taxable value of the flight equipment allocable to Nebraska.

003.03C The allocation for each class of flight equipment is based on an arithmetic average of the three ratios provided by the air carrier pursuant to Neb. Rev. Stat. Section 77-1245.

003.04 Taxation Of Distributed Value.

003.04A On or before January 15 each year the Property Tax Administrator shall establish the state average tax rate. For the purposes of this regulation, the levy date shall be January 15.

003.04B Prior to January 31, the Property Tax Administrator shall send a statement to each air carrier showing the taxable value, the tax rate, and the amount of tax due.

003.04C The Property Tax Administrator shall collect the air carrier taxes due, retain a three percent collection fee for deposit ~~deposited~~ in the ~~Department of Property Assessment and Taxation~~ Department of Revenue, Property Assessment Division Cash Fund and remit the balance to the State Treasurer.

003.04D The air carrier taxes shall be distributed to the counties for credit to the county general fund proportionate to the amount the county's total property taxes levied compared to the total property taxes levied in the state.

003.05 Collection Of Taxes.

003.05A The taxes levied in REG-30-003.04B shall become due and payable on January 31 following the year for which the taxes are assessed. The first half shall become delinquent on March 1, and the second half shall become delinquent on July 1 following the year for which taxes are assessed. Interest shall accrue on any delinquent tax at the rate specified in Neb. Rev. Stat. Section 45-104.01. The interest shall be collected and distributed in the same manner as the tax on which the interest accrues. Pursuant to Neb. Rev. Stat. Section 77-3904, taxes levied under this section become a lien on the tangible and intangible personal property of those liable for payment of the tax. Such liens arise at the time of assessment under REG 30-003.04B, on January 31 of each year.

003.05B If taxes and interest are not paid on July 1, following the levy, the ~~Property Tax Administrator~~ Tax Commissioner can collect the tax by distress and sale of any property belonging to the delinquent air carrier in the same manner as required of county treasurers and county sheriffs.

003.05C If any air carrier's taxes, interest, and penalties are not paid on July 1 following the levy, a lien and distress warrant will be issued by the ~~Property Tax Administrator~~ Tax Commissioner against the company's money and credit in favor of the State of Nebraska until the liability is paid or settled.

003.05D Any person or company in possession of the money and credits of the air carrier company which has been taxed must surrender the money and credits to the ~~Property Tax Administrator~~ Tax Commissioner or agent, on demand. If any such person or company fails or refuses to surrender the money and credits pursuant to the requirements of this section, they are liable to the state of Nebraska for an amount equal to the value of the money and credits not surrendered, but not exceeding the amount of the taxes, interest, and penalties owed.

003.06 Appeals.

003.06A In the event the air carrier shall feel aggrieved as to the valuation or method of allocation established, an appeal may be filed with the ~~Property Tax Administrator~~ Tax Commissioner, pursuant to the Practice and Procedure Regulation, Chapter 90, on or before February 15.

003.06B The ~~Property Tax Administrator~~ Tax Commissioner shall act upon the appeal and shall issue a written order a copy of which shall be mailed to the air carrier within seven (7) days after the date of the order. The ~~Property Tax Administrator's~~ Tax Commissioner's order may be appealed within thirty (30) days after the date of the order to the Tax Equalization and Review Commission pursuant to Neb. Rev. Stat. Section 77-5013.

(Neb. Rev. Stat. Sections ~~77-702,~~ 77-1244, 77-1245, 77-1246, ~~through~~ and 77-1248, ~~77-1250 and 77-3904,~~ R.R.S 2003, Neb. Rev. Stat. Section 45-104.01, R.R.S. 1998, ~~and~~ Neb. Rev. Stat. Sections ~~77-1249 and~~ 77-5013, R.S. Supp., 2006 Neb. Rev. Stat. Sections 77-702, 77-1247, 77-1249, 77-1250 and 77-3904, R.S. Supp., 2007.)

REG-30-004 CARLINE COMPANIES

004.01 Taxpayer's Responsibilities.

004.01A On or before June 1 of each year, a car line company owning or operating any railroad cars through, in, or into Nebraska during the preceding year ending December 31, shall furnish a complete and accurate report pursuant to Neb. Rev. Stat. section 77-680 to the Property Tax Administrator on prescribed forms.

004.01B On or before June 1 of each year a railroad company whose line runs through or into Nebraska shall furnish to the Property Tax Administrator a report showing the total number of miles traveled by each class of cars for every car line company on their lines in this state during the preceding year ending December 31.

004.01B(1) A car line company requesting the Property Tax Administrator to consider the use of a time/speed study shall submit such study at the time of filing the reports required in REG-30-004.01A.

004.01B(2) Any time/speed study submitted pursuant to REG-30-004.01B(1) shall be applicable for three (3) years. The use of time/speed study may be extended at the discretion of the Property Tax Administrator beyond three (3) years if the carline company requesting the use of the time/speed study provides information to the Property Assessment Division ~~Department~~ that indicates, in the opinion of the Property Tax Administrator, that the time/speed study continues to reflect traffic patterns in the state.

004.02 Property Tax Administrator's and Tax Commissioner's Responsibilities And Penalties.

004.02A The Property Tax Administrator may assess a penalty, in the amount of $100.00 per day, but not exceeding ten-thousand dollars ($10,000.00), for failure or refusal to furnish the complete and accurate information required by the report specified in REG-30-004.01A. The penalty is collected by the Tax Commissioner ~~Property Tax Administrator~~. Upon written request by the car line company, the Tax Commissioner ~~Property Tax Administrator~~ may waive the penalty in whole or in part for good cause shown.

004.02A(1) In the event that the car line company shall feel aggrieved as to the assessment of a penalty, an appeal may be filed with the ~~Property Tax Administrator~~ Tax Commissioner pursuant to the Practice and Procedure Regulation, Chapter 90.

004.02B Upon written request and for good cause shown, the Property Tax Administrator may allow up to a thirty (30) day extension of time to file the reports required in REG-30-004.01. Such extension shall not exceed thirty (30) days after June 1.

004.03 Assessment.

004.03A The Property Tax Administrator shall annually determine, the taxable value of all cars as of January 1, 12:01 a. m., based on information provided by the car line company, as well as other available sources.

004.03B The Property Tax Administrator shall determine the taxable value of the cars allocable to Nebraska.

004.03C The formula for allocation of taxable value shall be established by the Property Tax Administrator in a fair and reasonable manner. The Property Tax Administrator may adjust the formula for a company if such adjustment is warranted.

004.03D The car line company's allocated net book taxable personal property value is subject to an adjustment by the Property Tax Administrator, as follows:

004.03D(1) The Property Tax Administrator shall determine the ratio of the net book taxable value of all income producing tangible depreciable personal property subject to taxation in the state, divided by the actual value of all income producing tangible personal property in the state, excluding rail transportation property.

004.03D(2) The Property Tax Administrator shall determine the ratio of the company's net book taxable personal property divided by the actual value of its personal property.

004.03D(3) If the company's ratio of taxable personal property exceeds the state's ratio of taxable personal property by more than five (5) percent, the Property Tax Administrator may adjust the company's taxable personal property value to the state's level of taxable personal property.

004.04 Taxation Of Distributed Value.

004.04A On or before January 15 each year the Property Tax Administrator shall establish the state average tax rate. For the purposes of this regulation, the levy date shall be January 15.

004.04B Prior to January 31, the Property Tax Administrator shall send a statement to each car line company showing the taxable value, the tax rate, and the amount of tax due.

004.04C The Property Tax Administrator shall collect the car line taxes due, retain a three percent collection fee deposited in the ~~Department of Property Assessment and Taxation~~ Department of Revenue, Property Assessment Division Cash Fund and remit the balance to the State Treasurer.

004.04D The car line company tax shall be distributed among the various taxing subdivisions in proportion to all railroad taxes levied by taxing subdivisions.

004.05 Collection Of Taxes.

004.05A The taxes levied in REG-30-004.04B shall become due and payable on January 31 following the year which the taxes are assessed. The first half shall become delinquent on March 1, and the second half shall become delinquent on July 1 following the year for which the taxes are assessed. Interest shall accrue on any delinquent tax at the rate specified in Neb. Rev. Stat. Section 45-104.01. The interest shall be collected and distributed the same as the tax on which the interest accrues. Pursuant to Neb. Rev. Stat. Section 77-3904, taxes levied under this section become a lien on the tangible and intangible personal property of those liable for payment of the tax. Such liens arise at the time of assessment under REG-30-004.04B, on January 31 of each year.

004.05B If taxes and interest are not paid on July 1, following the levy, the ~~Property Tax Administrator~~ Tax Commissioner can collect the tax by distress and sale of any property belonging to the delinquent company in the same manner as required of county treasurers and county sheriffs.

004.05C If any company's taxes, interest, and penalties are not paid on July 1, following the levy, a lien and distress warrant will be issued by the ~~Property Tax Administrator~~ Tax Commissioner against the company's money and credit in favor of the state of Nebraska until the liability is paid or settled.

004.05D Any person or company in possession of the money and credits of the car line company which has been taxed must surrender the money and credits to the ~~Property Tax Administrator~~ Tax Commissioner or agent, on demand. If any such person or company fails or refuses to surrender the money and credits pursuant to the requirements of this section, they are liable to the state of Nebraska for an amount equal to the value of the money and credits not surrendered, but not exceeding the amount of the taxes, interest, and penalties owed.

004.06 Appeals.

004.06A In the event the car line company shall feel aggrieved as to the valuation or method of allocation established, an appeal may be filed with the ~~Property Tax Administrator~~ Tax Commissioner pursuant to the Practice and Procedure Regulation, Chapter 90, on or before February 15.

004.06B The ~~Property Tax Administrator~~ Tax Commissioner shall act upon the appeal and shall issue a written order a copy of which shall be mailed to the car line company within seven days after the date of the order. The ~~Property Tax Administrator's~~ Tax Commissioner's order may be appealed within thirty days after the date of the order to the Tax Equalization and Review Commission pursuant to Neb. Rev. Stat. Section 77-5013.

(Neb. Rev. Stat. Sections 77-679 through 77-682, ~~77-683, 77-685, 77-687 and 77-689~~ 77-692 and ~~through~~ 77-693, ~~77-702, and 77-3904,~~ R.R.S. 2003, Neb. Rev. Stat. Section 45-104.01, R.R.S. 1998, ~~and~~ Neb. Rev. Stat. Section~~s~~ ~~77-684 and~~ 77-5013, R.S. Supp., 2006 and Neb. Rev. Stat. Sections 77-683, 77-684, 77-685, 77-687, 77-692, 77-702 and 773904, R.S. Supp., 2007.)

30-005 PUBLIC SERVICE ENTITIES

005.01 Taxpayer's Responsibilities.

005.01A On or before January 1 of each year, a public service entity shall report to the assessor all non-operating taxable property of such company located in the county.

005.01B On or before April 15 of each year, a public service entity engaged in business in Nebraska shall furnish a complete report to the Property Tax Administrator on prescribed forms.

005.01C Any sale of a public service entity shall be reported by the purchaser to the Property Tax Administrator within thirty (30) days from the date of the sale. The purchaser shall identify the seller, date of the sale, any change in name of the entity, and the purchase price.

005.02 Property Tax Administrator's and Tax Commissioner's Responsibilities and Penalties.

005.02A The Property Tax Administrator may assess a penalty, in the amount of one hundred ($100.00) dollars per day, but not exceeding ten thousand ($10,000.00) dollars, for failure or refusal to furnish the complete and accurate information required by the report specified in REG-30-005.01B. The penalty is collected by the Tax Commissioner ~~Property Tax Administrator~~. Upon

written request by the public service entity, the Tax Commissioner ~~Property Tax Administrator~~ may waive the penalty in whole or in part for good cause shown.

005.02A(1) In the event that the public service entity shall feel aggrieved as to the assessment of a penalty, an appeal may be filed with the Tax Commissioner ~~Property Tax Administrator~~ pursuant to the Practice and Procedure Regulation, Chapter 90.

005.02B Upon written request and for good cause shown, the Property Tax Administrator may allow up to a fifteen (15) day extension of time to file the reports required in REG-30-005.01B. Such extension shall not exceed fifteen (15) days after April 15.

005.02C The Property Tax Administrator may request in writing additional information regarding any sale of a public service entity, or other information needed to ascertain valuation.

005.02D All information reported by the public service entity, not available from other public sources, and any memorandum thereof shall be confidential and available to taxing officials only.

005.03 Assessment.

005.03A The Property Tax Administrator shall ascertain as of January 1, 12:01 a.m. annually the taxable value of the public service entity, by determining the sum of:

005.03A(1) The actual value of the operating entity, allocated to Nebraska, less a deduction for the actual value of the tangible personal property; and

005.03A(2) The net book value of all tangible personal property of the entity allocated to Nebraska. For more information regarding the valuation of taxable personal property, see Personal Property Regulations, Chapter 20.

005.03B The deduction for the actual value of tangible personal property from the public service entity's unit value shall be based on a factor representing the company's gross book personal property divided by the gross book of their operating property, as determined from its balance sheet or regulatory reports.

005.03C The formula for allocation of taxable value shall be established by the Property Tax Administrator on a fair and reasonable basis. The Property Tax Administrator may adjust the formula by industry or by entity if such adjustment is warranted.

005.03D On or before July 25, each public service entity shall be mailed a draft appraisal of its allocated taxable value as determined by the Property Tax Administrator.

005.03E The company may meet informally with the Property Tax Administrator through August 5 to discuss the proposed valuation or method of allocation.

005.03F The public service entity's Nebraska allocated actual value, excluding the actual value of the tangible personal property, shall be equalized by the Tax Equalization and Review Commission.

005.03G On or before August 10, the Property Tax Administrator shall certify to each public service entity, a final appraisal showing the total allocated taxable value for property tax purposes and the distribution of that value to the counties and subdivisions therein in which its property has situs.

005.03H On or before August 10, the Property Tax Administrator shall distribute the total taxable value to each county in which the public service entities have property. The distribution shall be in proportion to the ratio of the original cost of all owned or leased operating real and tangible personal property of the public service entity having situs in that taxing subdivision to the original cost of all owned or leased operating real and tangible personal property of that entity having situs in the state. For purposes of this subsection, original cost shall include the capitalized value of all leased property held by the entity.

005.03I If the distribution pursuant to the statute does not fairly represent the proportion of taxable value allowable to the county, the public service entity may petition for, or the Property Tax Administrator may require, the inclusion of any other method to equitably distribute the value of the public service entity for purposes of taxation.

005.03J On or before August 10, the Property Tax Administrator shall certify to each assessor in which the public service entity is located, the taxable value as distributed to the county and subdivisions therein to be used as a basis for levy.

005.04 Taxation Of Distributed Value.

005.04A The assessor shall include the distributed taxable value of the public service entity, as certified by the Property Tax Administrator, on the personal property tax list. The taxes so levied shall be collected by the county and shall be due and payable in the same manner as personal property taxes pursuant to

Neb. Rev. Stat. Sections 77-203 and 77-204. Interest shall accrue on any delinquent tax at the rate specified in Neb. Rev. Stat. Section 45-104.01.

005.04A(1) From the date the taxes are due and payable, they shall be a first lien upon the personal property of the public service entity until paid.

005.05 Appeals.

005.05A In the event the public service entity shall feel aggrieved as to the valuation or method of allocation established, an appeal may be filed with the ~~Property Tax Administrator~~ Tax Commissioner pursuant to the Practice and Procedure Regulation, Chapter 90, on or before September 10.

005.05B The ~~Property Tax Administrator~~ Tax Commissioner shall act upon the appeal and shall issue a written order a copy of which shall be mailed to the public service entity within seven (7) days after the date of the order. The ~~Property Tax Administrator's~~ Tax Commissioner's order may be appealed within thirty (30) days after the date of the order to the Tax Equalization and Review Commission pursuant to Neb. Rev. Stat. Section 77-5013.

(Neb. Rev. Stat. Sections 77-203, 77-204, ~~77-702,~~ 77-801.01~~, 77-801.02, 77-803, 77-804,~~ and 77-5030, R.R.S. 2003, Neb. Rev. Stat. Section 45-104.01, R.R.S. 1998, ~~and~~ Neb. Rev. Stat. Sections 77-801, 77-802, ~~77-802.02,~~ 77-5013 and 77-5022, R.S. Supp., 2006 and Neb Rev. Stat. Sections 77-702, 77-801.02, 77-802.02, 77-803 and 77-804, R.S. Supp., 2007.)

30-006 RAILROADS

006.01 Taxpayer's Responsibilities.

006.01A On or before January 1 of each year, a railroad company shall report to the assessor all nonoperating taxable property located in the county. Nonoperating property shall include any railroad track mileage abandoned or other property not contributing to the operations of the railroad.

006.01B On or before April 15 of each year, a railroad company engaged in business in Nebraska shall furnish a complete report to the Property Tax Administrator on prescribed forms.

006.01C On or before June 1 of each year, a railroad company whose line runs through or into Nebraska shall furnish to the Property Tax Administrator a report showing the total number of miles traveled by each class of cars for every car line company on their lines in this state during the preceding year ending December 31.

006.01D Any sale of railroad operating property shall be reported by the purchaser to the Property Tax Administrator within 30 days from the date of the sale. The purchaser shall identify the seller, date of the sale, any change in name of the railroad, the miles of main track and sidetrack located in each taxing subdivision, and the purchase price.

006.02 Property Tax Administrator's and Tax Commissioner's Responsibilities And Penalties.

006.02A The ~~Property Tax Administrator~~ Tax Commissioner may assess a penalty, in the amount of one hundred ($100.00) dollars per day but not exceeding ten thousand ($10,000.00) dollars, for failure or refusal to furnish complete and accurate information required by the report specified in REG-30-006.01B. The penalty is collected by the Tax Commissioner ~~Property Tax Administrator~~. Upon written request by the railroad company, the ~~Property Tax Administrator~~ Tax Commissioner may waive the penalty in whole or in part for good cause shown.

006.02A(1) In the event the railroad company shall feel aggrieved as to the assessment of a penalty, an appeal may be filed with the Tax Commissioner ~~Property Tax Administrator~~ pursuant to the Practice and Procedure Regulation, Chapter 90.

006.02B Upon written request and for good cause shown, the Property Tax Administrator may allow up to a 15 day extension of time to file the report required in REG-30-006.01B. Such extension shall not exceed 15 days after April 15.

006.02C Upon written request and for good cause shown, the Property Tax Administrator may allow up to a thirty (30) day extension of time to file the report required in REG-30-006.01C. Such extension shall not exceed thirty (30) days after June 1.

006.02D The Property Tax Administrator may request, in writing, additional information regarding any sale of railroad property or other information needed to ascertain valuation.

006.02E The Property Tax Administrator shall provide to each assessor a report of main track and sidetrack miles, located in each taxing subdivision, prior to certification of distributed value.

006.02F Beginning January 1, 2001, the Property Tax Administrator shall annually calculate the density factor used in distributing value along the line based upon an average of the most recent three years. Density factors shall be determined by ton miles traveled over a route, measured by the number of tons of revenue freight moved. If a density factor cannot be determined in this manner, the Property Tax Administrator may use other information to develop a fair and reasonable factor.

006.02G All information reported by the railroad company, not available from other public sources, and any memorandum thereof shall be confidential and available to taxing officials only.

006.03 Assessment.

006.03A The Property Tax Administrator shall annually ascertain the taxable unit value of the railroad company, as of January 1, 12:01 a.m., by determining the sum of:

006.03A(1) The actual value of the operating property allocated to Nebraska, less a deduction for the actual value of the tangible personal property; and

006.03A(2) The net book value of all tangible personal property of the company allocated to Nebraska. For more information regarding the valuation of taxable personal property, see Personal Property Regulations, Chapter 20.

006.03B The deduction for the actual value of tangible personal property from the railroad's unit value shall be based on a factor representing the company's net book value of personal property divided by the net book value of their total operating property as determined from its balance sheet or regulatory reports.

006.03C The formula for allocation of taxable value shall be established by the Property Tax Administrator on a fair and reasonable basis. The Property Tax Administrator may adjust the formula, by industry or by company, if such adjustment is warranted.

006.03D On or before July 1, each railroad company shall be mailed a draft appraisal of its allocated taxable value as determined by the Property Tax Administrator.

006.03E The company may meet informally with the Property Tax Administrator through July 12 to discuss the proposed valuation or method of allocation.

006.03F On or before July 15, the Property Tax Administrator shall send each railroad company a final appraisal showing total allocated taxable value for property tax purposes.

006.03G The railroad company's allocated net book taxable value for personal property is subject to an adjustment by the Property Tax Administrator as follows:

006.03G(1) The Property Tax Administrator shall determine the ratio of the net book taxable value of all income producing tangible depreciable personal property subject to taxation in the state, divided by the actual value of all income producing tangible personal property in the state, excluding rail transportation property.

006.03G(2) The Property Tax Administrator shall determine the ratio of the company's net book taxable personal property divided by the actual value of its personal property.

006.03G(3) If the company's ratio of taxable personal property exceeds the state's ratio of taxable personal property by more than five (5) percent, the Property Tax Administrator may adjust the company's taxable personal property value to the state's level of taxable personal property.

006.03H The railroad company's Nebraska allocated actual value, excluding the actual value of the tangible personal property, shall be equalized by the Tax Equalization and Review Commission.

006.03I The Property Tax Administrator shall distribute the railroad's total taxable value, equalized and adjusted pursuant to REG-30-006.03G and REG-30-006.03H, to the counties in the following manner:

006.03I(1) Five (5) percent shall be distributed to all taxing subdivisions where the railroad company has investments in general office buildings or machine and repair facilities proportionate to the company's investment in general office buildings and machine and repair facilities designed to perform heavy or programmed maintenance in the state;

006.03I(2) The balance is to be distributed to all taxing subdivisions where the railroad has track located, based on a formula in which fifty (50) percent of the valuation is based on miles of main track and sidetrack and fifty (50) percent of the valuation is based on a density factor on miles of main track. The value per mile of main track shall equal twice the value per mile of sidetrack as computed in this section. The value per mile of sidetrack shall equal the value of the line divided by the

following quantity: The number of miles of sidetrack plus two times the number of miles of main track.

006.03J On or before August 10, the Property Tax Administrator shall certify to each railroad company and to each assessor in which the railroad company is located, the taxable value as distributed to the county and taxing subdivisions therein to be used as a basis for levy.

006.04 Taxation Of Distributed Value.

006.04A The assessor shall include the distributed taxable value of the railroad company, as certified by the Property Tax Administrator, on the personal property tax list. The taxes so levied shall be collected by the county and shall be due and payable in the same manner as personal property taxes pursuant to Neb. Rev. Stat. Sections 77-203 and 77-204. Interest shall accrue on any delinquent tax at the rate specified in Neb. Rev. Stat. Section 45-104.01.

006.04A(1) From the date the taxes are due and payable, they shall become a first lien upon the personal property of the railroad company until paid.

006.05 Appeals.

006.05A In the event the railroad company shall feel aggrieved as to the valuation or method of allocation established, an appeal may be filed with the ~~Property Tax Administrator~~ Tax Commissioner pursuant to the Practice and Procedure Regulation, Chapter 90, on or before August 1.

006.05B The ~~Property Tax Administrator~~ Tax Commissioner shall act upon the appeal and shall issue a written order a copy of which shall be mailed to the company within seven (7) days after the date of the order. The ~~Property Tax Administrator's~~ Tax Commissioner's order may be appealed within thirty (30) days after the date of the order to the Tax Equalization and Review Commission pursuant to Neb. Rev. Stat. Section 77-5013.

(Neb. Rev. Stat. Section 45-104.01, R.R.S. 1998, Neb. Rev. Stat. Sections 77-203, 77-204, 77-601, 77-602, 77-604 77-606, ~~through~~ 77-609, 77-611, ~~77-612,~~ 77-615, 77-616, 77-621, 77-623, 77-681, 77-693, ~~77-702~~ and 77-5030, R.R.S. 2003, ~~and~~ Neb. Rev. Stat. Sections ~~77-603,~~ 77-5013 and 77-5022, R.S. Supp., 2006 and Neb. Rev. Stat. Sections 77-603, 77-607, 77-612 and 77-702, R.S. Supp., 2007.)