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SENATE BILL NO. 428

Offered January 8, 2014

Prefiled January 7, 2014

A BILL to amend and reenact §§ 58.1-2606 and 58.1-2628 of the Code of Virginia, relating to personal property tax; telephone and telegraph companies.

Patrons—Hanger and Vogel

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-2606 and 58.1-2628 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-2606. Local taxation of real and tangible personal property of public service corporations; other persons.

A. Notwithstanding the provisions of this section and §§ 58.1-2607 and 58.1-2690, all local taxes on the real estate and tangible personal property of public service corporations referred to in such sections and other persons with property assessed pursuant to this chapter shall be at the real estate rate applicable in the respective locality *except personal property of telephone and telegraph companies not used in furnishing telegraph, telephone, broadband personal, or mobile commercial communication services, which shall be taxed at the applicable personal property tax rate.*

B. Notwithstanding any of the foregoing provisions, all aircraft, automobiles and trucks of such corporations and other persons shall be taxed at the same rate or rates applicable to other aircraft, automobiles and trucks in the respective locality.

C. Notwithstanding any of the foregoing provisions, generating equipment that is reported to the Commission by electric suppliers shall be taxed at a rate determined by the locality but shall not exceed the real estate rate applicable in the respective localities. However, generating equipment that is reported to the Commission by electric suppliers utilizing wind turbines may be taxed by the locality at a rate that exceeds the real estate rate, but that does not exceed the general class of personal property tax rate applicable in the respective localities.

D. Notwithstanding the provisions of any of the foregoing provisions, no additional tax otherwise authorized under § 58.1-3221.3 shall be imposed by the counties of Isle of Wight, James City, and York and the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg upon any real or tangible personal property of a public service corporation or electric supplier unless a final certificate of occupancy for a commercial or industrial use has been issued and remains in effect.

§ 58.1-2628. Annual report.

A. Each telegraph company and telephone company shall report annually, on April 15, to the Commission all real and tangible personal property of every description in the Commonwealth, owned, operated or used by it, except leased automobiles, leased trucks or leased real estate, as of January 1 preceding, showing particularly the county, city, town or magisterial district wherein such property is located. *The report shall separately list and designate property according to whether or not it is used in furnishing telegraph, telephone, broadband personal, or mobile commercial communication services.*

The report shall also show the total gross receipts for the 12 months ending December 31 next preceding and the interstate revenue, if any, attributable to the Commonwealth. Such revenue shall include all interstate revenue from business originating and terminating within the Commonwealth and a proportion of interstate revenue from all interstate business passing through, into or out of the Commonwealth.

B. Every corporation doing in the Commonwealth the business of furnishing water, heat, light and power, whether by means of gas or steam, except (i) pipeline transmission companies taxed pursuant to § 58.1-2627.1 or (ii) an electric supplier as defined in § 58.1-400.2, shall report annually, on April 15, to the Commission all real and tangible personal property of every description in the Commonwealth, belonging to it as of January 1 preceding, showing particularly, as to property owned by it, the county, city, town or magisterial district wherein such property is located. The report shall also show the total gross receipts for the 12 months ending December 31 next preceding.

C. Every corporation in the Commonwealth in the business of furnishing heat, light and power by means of electricity shall report annually, on April 15, to the Commission all real and tangible personal property of every description in the Commonwealth, belonging to such corporation, leased by such corporation for a term greater than one year, or operated by such corporation as of the preceding January 1, showing particularly the county, city, town or magisterial district in which such property is

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59 located, unless reported to the Commission by another corporation or electric supplier in the
60 Commonwealth in the business of furnishing heat, light and power by means of electricity. Real and
61 tangible personal property of every description in the Commonwealth leased by such corporation for a
62 term greater than one year or operated by such corporation shall mean only those assets directly
63 associated with production facilities and shall not mean real estate or vehicles. The report shall also
64 show the total gross receipts less sales to federal, state and local governments for their own use. Electric
65 suppliers organized as cooperatives shall report annually their gross receipts received from nonmembers.

66 D. Every electric supplier as defined in § 58.1-2600 shall report annually, on April 15, to the
67 Commission all real and tangible personal property owned by such electric supplier, leased by such
68 electric supplier for a term greater than one year, or operated by such electric supplier in the
69 Commonwealth and used directly for the generation, transmission or distribution of electricity for sale as
70 of the preceding January 1, showing particularly the county, city, town or magisterial district in which
71 such property is located, unless reported to the Commission by another corporation or electric supplier
72 in the Commonwealth in the business of furnishing heat, light and power by means of electricity. Real
73 and tangible personal property of every description in the Commonwealth leased by such electric
74 supplier for a term greater than one year or operated by such electric supplier shall mean only those
75 assets directly associated with production facilities and shall not mean real estate or vehicles. The report
76 shall also show the total gross receipts less sales to federal, state and local governments for their own
77 use. Electric suppliers organized as cooperatives shall report annually their gross receipts received from
78 nonmembers.

79 E. Every pipeline transmission company shall report annually, on April 15, to the Department all of
80 its real and tangible personal property of every description as of the beginning of January 1 preceding,
81 showing particularly in what city, town or county and magisterial district therein the property is located.

82 F. The report required by subsections A through E shall be completed on forms prepared and
83 furnished by the Commission. The Commission shall include on such forms such information as the
84 Commission deems necessary for the proper administration of this chapter.

85 G. The report required by this section shall be certified by the oath of the president or other
86 designated official of the corporation or person.