



# Exempt Telephone General Instructions Oregon Property Tax Report

## When to file

File on or before **February 1, 2010**.

## Where to file

Mail all schedules, reports, forms, and attachments to:

Valuation Section  
Property Tax Division  
Oregon Department of Revenue  
PO Box 14600  
Salem OR 97309-5075

## Extension of time for filing statement

The department is allowed by law [Oregon Revised Statute (ORS) 308.535] to extend the time for filing this statement for good cause. To receive an extension, send us a written request explaining your need for the extension. The extension request must be filed before the due date of your annual statement.

If a company fails to make a statement or furnish the required information, the law also allows the department to “inform itself as best it may as to the matters necessary to be known in order to discharge its duties with respect to the property of the company.”

## Penalties for failure to file or false or fraudulent statement

**Your statement is considered delinquent if it is not filed by February 1 or by the extended date allowed by the department. The penalty for a delinquent statement is \$10 for each \$1,000 (or fraction thereof) of assessed value placed on the assessment roll of the department (ORS 308.030).**

Willfully providing a false or fraudulent statement is perjury [ORS 308.990(4)] and “upon conviction, shall be punished as otherwise provided by law for such crime.”

## Additional information you must file

In addition to the schedules provided, **all companies** must file a copy of:

- The company’s **complete** Annual Report filed with the Oregon Public Utility Commission and/or a federal regulatory body (if the company filed this annual report).
- The company’s 10-K (and parent company’s 10-K, if applicable) filed with the Securities and Exchange Commission.
- The annual report to stockholders (and parent company’s annual report, if applicable), if not included in the 10-K.
- **For communications companies**, a copy of the wire mileage summary by tax code as of January 1 (ORS 308.645).
- **For all companies**, the cover letter sent with this packet may also request information in addition to the data required on the standard schedule forms. Read the letter carefully. The additional data requested is an *integral part of your total reporting requirement*. You must provide us with this additional information [ORS 308.525(16)].

## How to complete these Oregon schedules

1. Complete all schedules in this packet.
2. If you need more space than what’s available on a schedule, attach additional sheets. You may attach additional schedules which use other formats, as long as you provide all information that we’ve requested.
3. If a schedule doesn’t apply to you, leave it blank. Then attach a statement telling us why you don’t need to complete the schedule.
4. Type or print your information on these schedules. If you print, please use ink.
5. Put brackets ( < > ) around negative (“deficit”) amounts.
6. Keep a copy for your files.

## Important reminders

- **Calendar Year Basis.** The Oregon report is for a full calendar year.
- **“The Year”** means the year covered by the report.
- **“The Close of the Year”** means the close of business on December 31.
- **“The Beginning of the Year”** means the beginning of business on January 1.

## Oregon law

Oregon law (ORS 308.515) requires the department to make an annual assessment of designated utilities and companies. ORS 308.515(1) charges the department to assess the following property having situs in this state:

*“and that, except as provided in subsection (3) of this section, is used or held for future use by any company in performing or maintaining any of the following businesses or services or in selling any of the following commodities, whether in domestic or interstate commerce or in any combination of domestic and interstate commerce, and whether mutually, or for hire, sale or consumption by other persons: Railroad transportation; Railroad switching and terminal; Electric rail transportation; Private railcar transportation; Air transportation; Water transportation upon inland water of the State of Oregon; Air or railway express; Communication; Heating; Gas; Electricity; Pipeline; Toll bridge; or Private railcars.”*

ORS 308.525 specifies what facts the companies should supply to the department. ORS 308.525(16) also allows the department to gather “any other facts or information the department requires in the form of return prescribed by it.”

## Substitute forms acceptable

The Department of Revenue will accept photocopies and replicas of this packet. If you need an additional packet, please call 503-945-8283, or download forms from our website, [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

## Electronic filing

Companies with complex tables, especially those with a large asset inventory or those with property located in many tax code areas throughout the state, are encouraged to submit data in an electronic format to save time and reduce errors.

*Electronic schedules may be filed in place of hard-copy schedules.* If you choose to file electronically, please sign the authorization for exchange of confidential information at the bottom of page 1 of your annual statement.

You may report your schedules in an electronic format that is compatible with Microsoft Office in Windows format (i.e., Excel spreadsheets, Access data, and Word documents).

**Important:** Please format your electronic data according to the format of the paper schedule or table and include all the information fields located in the annual statement schedules. Label the schedule so the department can readily identify which schedule you are submitting electronically. If you have questions regarding acceptable formats, please contact the assigned appraiser using the telephone number located on the attached cover letter.

Electronic forms in Microsoft Excel format are now located on our agency website at: [www.oregon.gov/DOR/PTD/utilityform.shtml](http://www.oregon.gov/DOR/PTD/utilityform.shtml).

The data may be sent on CD-ROM along with the form or may be attached via an e-mail message to the address below the appraiser’s name provided on the cover letter. *If you submit the data using e-mail, there is a possibility that it may not remain secure in transit.* The Department of Revenue maintains that all information, on receipt, is confidential and shall not be released to third parties. During the course of transit, information may be considered insecure and may be intercepted by third parties.



# Annual Statement for Exempt Telephone

**Must be postmarked by February 1, 2010**

as of  
January 1, 2010

Department of Revenue use only	
Postmarked date	Date received
	Extension date

Business name		Business e-mail address or website address	
Street address			Is this a change of address? <input type="checkbox"/> Yes <input type="checkbox"/> No
City	State	ZIP code	

Pursuant to Oregon Revised Statutes 907.220, 307.230, and 307.240, and rules related thereto, and in compliance with Oregon Revised Statutes 308.520, the annual statement is to be filed with the Oregon Department of Revenue **on or before February 1**. This statement is subject to audit.

1. Date of last annual statement made to the Oregon Department of Revenue was \_\_\_\_\_, \_\_\_\_\_
2. The articles of incorporation or bylaws (have been)\* (have not been)\* changed since the last annual statement. (A copy of the document showing the change is attached.)\*
3. At year-end the system served \_\_\_\_\_ members, each of whom owns \_\_\_\_\_ shares of stock; the system also serves \_\_\_\_\_ nonmembers.
4. Since the last annual statement there has been added to the system \_\_\_\_\_ miles of owned single wire, and \_\_\_\_\_ miles of owned pole line.

\*Cross out the phrase or phrases in parentheses that do not apply.

### Taxpayer declaration

I declare under penalties of false swearing [ORS 305.990(4)] that this statement, including attached schedules, has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

Full legal name (if incorporated)	
Owner is (indicate where individual, partnership, corporation, etc.)	
Signature of owner, officer, or authorized agent <b>X</b>	Date
Typed or printed name of officer or agent signing above	Title
Name of preparer (if other than taxpayer)	Telephone Number

**I authorize the exchange of confidential information for this return, via e-mail.**

**Signature and title of owner, officer, or authorized agent \_\_\_\_\_ Title \_\_\_\_\_**

**Mail completed statement and schedules to:** Valuation Section  
Property Tax Division  
Oregon Department of Revenue  
PO Box 14600  
Salem OR 97309-5075

**Be sure to read the instructions on the previous sheet**

## Schedule A—General Information

### Instructions

1. Give the exact name by which the company was known in law at the close of the year.
2. If any change was made in the name of the company during the year, state all such changes and the dates on which they were made.
3. Give the location, including street and number, of the main business office of the company at the close of the year.
4. Give the names and office addresses of the general officers of the company at the close of the year. If there are receivers who are recognized as in the controlling management of the company, give their names, titles, and office locations.
5. Give the name and post office address of the chief officer or managing agent or attorney in fact in Oregon.
6. This information is being requested per ORS 308.525.

Name of company			Business identification number (BIN)	
Previous name of company during the year		Effective dates of previous name <b>Thru</b>		
State or country where company is organized	Nature of business	State	ZIP code	Area code and telephone number (      )
Address of principal office (street and number)	City	State	ZIP code	Area code and telephone number (      )

  

<b>Title of general office</b>	<b>Name of officer:</b>	<b>Post office address:</b>
President		
Secretary		
Auditor		
Superintendent		
General manager		

  

Name of the chief officer or managing agent or attorney in fact in Oregon				
Address (street and number)	City	State	ZIP code	Area code and telephone number (      )

Indicate the nature of your operations by checking one or more of the following boxes:

#### Airlines:

- Scheduled passenger operations
- Freight operations
- Express operations
- Other: \_\_\_\_\_

#### Pipelines:

- Gas
- Oil

#### Water transportation:

- Large company
- Small company

#### Railroads:

- Class I
- Shortline
- Private car

#### Communications:

- |  |       |
|--|-------|
| <input type="checkbox"/> Mobile radio      | _____ |
| <input type="checkbox"/> Wireless          | _____ |
| <input type="checkbox"/> Tower aggregators | _____ |
| <input type="checkbox"/> Local exchange    | _____ |
| <input type="checkbox"/> Wire and cable    | _____ |
| <input type="checkbox"/> CLEC              | _____ |
| <input type="checkbox"/> Cable telephone   | _____ |
| <input type="checkbox"/> Data transmission | _____ |
| <input type="checkbox"/> ISP/IAP           | _____ |
| <input type="checkbox"/> Cable television  | _____ |
| <input type="checkbox"/> Satellite         | _____ |

#### % of business

#### Electric generation:

- Generation transmission co-op
- Electric co-op
- Investor owned
- Wind generation
- PUD



## Summary of the Oregon Revised Statutes and Oregon Administrative Rules

The following summaries of various statutes and administrative rules concerning exempt telephone companies are restatements and are not intended to supplant direct reference to the statutes and administrative rules themselves.

**308.520 Companies to file statements.** Each company shall make and file with the Department of Revenue, on or before February 1 of each year, in such form and on such blanks as the department may provide, a statement, under oath, made by the president, secretary, treasurer, superintendent or chief officer of the company, covering a period of at least one year and not exceeding five years, as may be required by the department; except that class I railroads, class A electric companies, class A telephone companies, class A gas companies, class A water transportation companies, class A water companies pipeline companies, air transportation companies, telegraph companies and sleeping car, private car, tank car and refrigerator car companies shall file such statement on or before March 15, of each year.

[Amended by 1957 c.711 §6; 1977 c.884 §8]

**307.220 Property of nonprofit mutual or cooperative telephone associations.** After the Department of Revenue has taken the action required by ORS 307.240, all property consisting of improvements, fixtures, equipment and supplies, owned by any association of persons, wholly mutual or cooperative in character, whether incorporated or unincorporated, used exclusively in the construction, maintenance and operation of a telephonic communication system for the benefit of the members of such association, where such association has no other business or purpose and the operation of such system is conducted without intent to produce profit in money and without the ownership, operation or lease of telephonic switchboard exchange facilities, or direct or indirect ownership of stock in any telephonic switchboard association, partnership or corporation, shall be exempt from taxation. This exemption shall not apply to any parcel of land or building owned by any such association, which land or building shall be assessed and apportioned by the Department of Revenue in accordance with existing law. This exemption shall not apply to any system having a full cash value in excess of \$2,500.

**307.230 Telephonic properties of persons not engaged in public telephone service.** After the Department of Revenue has taken the action required by ORS 307.240, all property consisting of improvements, fixtures, equipment and supplies, owned by any person not engaged in public service operation, used exclusively in the construction, maintenance and operation of a telephone communication system serving exclusively property owned or operated by such person, shall be exempt from taxation. This exemption shall not apply to any such system having a full cash value in excess of \$1,500.

**307.240 Prerequisite for allowance of exemption under ORS 307.210, 307.220 or 307.230.** Exemptions under ORS 307.210, 307.220 or 307.230 shall be granted only upon formal action by the Department of Revenue. The department shall have authority to prepare forms of petitions for exemption and supply the same to applicants therefor, and shall prescribe such rules, not inconsistent with ORS 307.210, 307.220 and 307.230, as may appear necessary to the orderly filing and consideration of such petitions and the continuation of such exemptions.

[Amended by 1971 c.258 §2]

### **150-307.220-(A) Jurisdiction Over Assessment of Telephonic Companies**

1. ORS 307.220 provides for the exemption from taxation of certain property, except parcels of land and buildings, owned by qualified associations used exclusively in the construction, maintenance, and operation of a telephonic communication system.

2. Any property owned, rented, leased or occupied by an association used exclusively in the construction, maintenance, and operation of a telephonic system and not exempt will be classified and assessed pursuant to ORS 308.505 to 308.660.

**Hist:** Eff. 6/61, Amended 1/66, 3/70, 11/71

### **150-307.220-(B) Qualifications for Exemption Under ORS 307.220**

1. *Qualifying Conditions.* Property is qualified for exemption if all the following conditions are satisfied:

a. *Ownership.* The property must be owned by an association of persons which:

(1) Is wholly mutual or cooperative in character, whether incorporated or not. The characteristics of a mutual or cooperative association are contained in OAR 150-307.210-(C)1.

(2) Operates without profit in money.

(3) Has no business or purpose other than the provision of telephonic communications service.

b. *Use.* All persons served (other than the government of this State, the government of the United States, or any subdivision, agency or instrumentality, corporate or otherwise, of either of them) must be members and must own shares, stock, certificates, or other evidence of their interest.

c. *Value.* "Full cash value" has the same meaning as "true cash value" under ORS 308.205. The association's telephonic property has a true cash value of not more than \$2,500 as determined by the Department of Revenue.

d. *Operation.* The association's telephonic communication system operation is conducted without the ownership, operation or lease of telephonic switchboard exchange facilities, or direct or indirect ownership of

stock in any telephonic switchboard association, partnership or corporation.

2. *Eligible Property.* Property that may qualify for exemption includes all property consisting of improvements, fixtures, equipment and supplies used exclusively in the construction, maintenance, and operation of a telephonic communication system. Examples of property that may qualify for exemption include but are not restricted to:

- a. Poles, crossarms, guy stubs and guy wire
- b. Aerial wire
- c. Aerial or underground cable
- d. Suspension strand
- e. Insulators
- f. Terminals
- g. Drop and block wire
- h. Telephones

3. *Ineligible Property.* The following types of property which cannot qualify for exemption in any case shall be classified and assessed pursuant to ORS 308.505 to 308.660.

a. Parcels of land and buildings owned, leased, rented, chartered or otherwise held for or used by an association in a telephone communication system.

b. Any other property not owned by the association but used or held by it in a telephone communication system.

c. Any property owned, leased, rented, chartered or otherwise held by an association and not used in providing telephone communication

**Hist:** Eff. 6/61, Amended 1/66, 3/70, 11/71.

### **150-307.230-(A) Jurisdiction over Assessment of Non-public Telephonic Systems**

1. ORS 307.230 provides for the exemption from taxation of all property owned by any person not engaged in public service operation and used exclusively in the construction, maintenance and operation of a telephone communication system serving exclusively property owned or operated by such person.

2. Any property owned, rented, leased or occupied by a person not engaged in public service and used exclusively in the construction, maintenance and operation of a telephone communication system and not exempt will be classified and assessed pursuant to ORS 308.505 to 308.660.

3. "Person" has the same meaning as defined in ORS 311.605.

Eff. 6/61, Amended 1/66, 3/70, 11/71

### **150-307.230-(B) Qualifications for Exemption Under ORS 307.230**

1. *Qualifying Conditions.* Property is qualified for exemption if all the following conditions are satisfied:

a. *Ownership.* The property must be owned by a person not engaged in public service operation.

b. *Use.* The property is used exclusively in the construction, maintenance and operation of a telephone communication system serving exclusively property owned or operated by such person.

c. *Value.* "Full cash value" has the same meaning as "true cash value" under ORS 308.205. The person's telephonic property has a true cash value of not more than \$1,500 as determined by the Department of Revenue.

d. *Operation.* The person's telephonic communication system operation is conducted without ownership, operation or lease of telephonic switchboard exchange facilities, or direct or indirect ownership of stock in any telephonic switchboard association, partnership or corporation.

2. *Eligible Property.* Property that may qualify for exemption includes all property owned consisting of improvements, fixtures, equipment and supplies, used exclusively in the construction, maintenance and operation of a telephone communication system. Property that may qualify for exemption includes but is not restricted to the examples listed in OAR 150-307.220-(B)2.

3. *Ineligible Property.* The following types of property which cannot qualify for exemption in any case shall be classified and assessed in accordance with provisions of ORS 308.505 to 308.660:

a. Parcels of land and buildings owned, leased, rented, chartered or otherwise held for or used by a person in a telephone communication system.

b. Any other property not owned by a person and used or held in a telephone communication system.

c. Any property owned, leased, rented, chartered or otherwise held by a person and not used in providing telephone communication.

**Hist:** Eff. 6/61, Amended 1/66, 3/70, 11/71

### **150-307.240-(B) Application Under ORS 307.240 for Exemption Under ORS 307.220 or 307.230**

1. The application for exemption shall contain all data required in Form 150-302.002 (A&A-U-2), as prescribed by the Department of Revenue. The application for the first year in which an exemption is requested shall be filed on or before August 1, and the Department shall act upon the application within 30 days after receipt of the application.

2. The Department shall examine all applications and determine:

a. Whether or not the applicant constitutes the type and kind of organization or owner described in ORS 307.220 or 307.230.

b. What properties are entitled to exemption.

c. The parcels of land which will be assessed by the Department and those which will be assessed by the county assessor.

3. The Department may require supplementary information from the applicant and may make a field examination to substantiate eligibility of the property for exemption.

4. Upon initial qualification by an association or person, the Department shall prepare and mail to the association or person (with a copy to the assessor) an exemption order containing a general description of property exempt under ORS 307.220 or 307.230.

**Hist:** Eff. 6/61, Amended 1/66, 3/70, 11/71, 12/31/77, 3/16/78

**150-307.240-(C) Continuance of Exemption**

1. *Exemptions under ORS 307.210.* An annual statement on Form 150-302-006 (A&A-U-6), as prescribed by the Department, shall be filed on or before February 1 by all associations previously granted an exemption under ORS 307.210. Failure to comply with this requirement may result in cancellation of such exemption. A reasonable extension of time for filing may be granted if a

request for an extension is filed with the Department on or before February 1.

2. *Exemptions under ORS 307.220 or 307.230.* An annual statement on Form 150-302-007 (A&A-U-7), as prescribed by the Department, shall be filed on or before February 1 by all associations and owners granted an exemption under ORS 207.220 and 307.230. Failure to comply with the requirement may result in cancellation of such exemption. A reasonable extension of time for filing may be granted if a request for an extension is filed on or before February 1.

3. The Department of Revenue may review any exemption at any time and shall order corrections when necessary.

**Hist:** Eff. 11/71, Amended 12/31/77