

Entry of PSC Utilities

Following is an overview of how utility companies are usually entered into the collection program. The topic is broken down into two categories, Identification and Valuation.

Identification Concept

It is best to use a unique identifier in the parcel numbering of utilities so that reports can be run in the future which either include or exclude utilities. We have found a method which works in most counties and handles personal and real property in similar fashion. The number is broken into three zones, one each for utility record, Company identifier and parcel sequence.

Personal Property

A typical personal property number might be 990101 where the 99 signifies this is a utility parcel, the middle 01 indicates company number 01 and the ending 01 indicating that this is the first parcel pertaining to this company. Additional property (in different school districts) would have the numbers: 990102, 990103, 990104 & etc. The first personal property of the next company would be 990201.

Real Estate

Real estate uses the *three zone* approach too, modified to match the appearance of the county's real estate parcels. Real estate parcel numbers would appear as 999- 00001-001, 999-00001-002 with the same concept as personal (Utility-Company- Parcel Sequence).

Taxpayer ID

The preferred approach to taxpayer ID's for utility company's is to use a significant prefix, such as 999. A typical number would then be 99900001. To achieve this numbering, the choice "Enter a number" must be taken during the Add a Record, Taxpayer process.

Valuation

Once the taxpayer and property number strategy are in place, it's time to create the property records for each jurisdiction in which a utility company has property. A separate personal and real estate record will be created for each jurisdiction and property type reported by the PSC.

900 N Dixieland Rd
 Rogers, Arkansas 72756

Example

Account Name: Arkansas Utility Company

Taxing Unit	Mills	Real	Mills	Personal	Net Tax Due
County General	.005	73,000	.005	15,000	440.00
County Road	.003	73,000	.003	15,000	264.00
County Library	.001	73,000	.001	15,000	88.00
School #1	.025	15,000	.025	15,000	750.00
School #2	.030	28,000			840.00
School #3	.035	30,000			1,050.00
City #1-A	.005	5000	.005	5,000	50.00
City #2-B	.004	8000			32.00
Grand Total					3514.00

(Note that city #1-A is within School District #1, and city #2-B is within School District #2)

Concept

Notice that in the example, the total amount of assessed value of the three school districts is exactly equal to the assessed value for the county issues (County General, County Roads, etc.) This makes perfect sense since all property which is in the school districts is also in the county. In the same way, all of the value in a given city is contained within the value of the school district into which that city falls. We can therefore determine how much value is in the rural portion of a school district by subtracting the value of all city property for cities in that school district.

We know that City 1-A is in SD 1. Since the assessed value of real estate in the whole of SD 1 is \$15,000 and the value in City 1-A is \$5,000, then the amount of value in rural SD 1 is \$10,000 (15,000 – 5,000).

School District 3 is shown with \$30,000 in assessed value, but there is no city within it. Therefore all of the SD 3 value is Rural.

We would then create real estate records for this utility as follows:

Parcel	District	Value	Millage	Tax
999-00001-001	1	10,000	.034	\$340.00
999-00001-002	1A	5,000	.039	\$195.00
999-00001-003	2	20,000	.039	\$780.00
999-00001-004	2B	8,000	.043	\$344.00
999-00001-005	3	30,000	.044	\$1320.00
			Total	\$2979.00

Using the same approach the personal property values are:

Parcel	District	Value	Millage	Tax
990101	1	10,000	.034	\$340.00
990102	1A	5,000	.039	\$195.00
			Total	\$535.00

You can see that the total real estate tax of \$2979 plus the personal tax of \$535 produces a total of \$3514, which matches the total tax from the PSC sheet.

Summary and Benefits

The county can correctly determine the taxes to be collected from each utility company directly from the PSC assessed values.

When taxes are paid, the system can automatically distribute the proper dollar amounts to each taxing unit. This is especially rewarding as it includes the proper distribution of quarter payments required of the utility companies by law.

The parcel and taxpayer numbering strategy will allow these records to be isolated when needed for reporting purposes.