



# Exempt Telephone General Instructions Oregon Property Tax Report

## When to file

File on or before **February 1, 2017**.

## Where to file

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

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

## Extension of time for filing statement

Oregon Revised Statutes (ORS) 308.535 allows us to extend the time for filing this statement if you show good cause. To receive an extension, send us a written request explaining your need for the extension. The request must be filed before the due date of your annual statement.

If you fail to make a statement or furnish the required information, the law also states that “the department shall 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's not filed by February 1 or by the extended date, if we have allowed one. The penalty for a delinquent statement is \$10 for each \$1,000 (or fraction thereof) of assessed value placed on the assessment roll (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 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 is available on a schedule, enclose additional sheets. You may enclose additional schedules in other formats as long as you provide all requested information.
3. If a schedule doesn't apply to you, leave it blank and include a statement explaining why you don't need to complete the schedule.
4. Type or print your information on these schedules. If you print, 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

ORS 308.515 requires us to make an annual assessment of designated utilities and companies. ORS 308.515(1) charges us to assess any 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 us. ORS 308.525(16) also allows us to gather “any other facts or information the

department requires in the form of return prescribed by it.”

## Substitute forms acceptable

We accept photocopies and replicas of this packet. If you need an additional packet, call (503) 945-8331 or download forms from [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms).

## Electronic filing

**We send your annual statements in Microsoft Excel format.** If your company is unable to accept electronic forms, contact us at (503) 945-8331.

If your company is unable to file the statement electronically or if you have questions regarding acceptable formats, please contact the assigned appraiser using the phone number located on the enclosed cover letter.

**We request that all annual statements be electronically filed. Email your completed annual statement to [utility@oregon.gov](mailto:utility@oregon.gov).**

**Important:** Format your electronic data according to the format provided in the annual statement schedule. Label the schedules so that we can readily identify which schedule you are submitting electronically. Electronic forms in Microsoft Excel format are located at [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms).

**If you submit the data using email, there is a possibility that it may not remain secure in transit.** We maintain that all information is confidential on receipt and won't be released to third parties. During transit, however, information may be considered insecure and may be intercepted by third parties. Sign the authorization line on page 1 of your annual statement so we can send your confidential information via email.



# Annual Statement for Exempt Telephone

**Must be postmarked by February 1, 2017**

For Revenue use only	
Postmarked date	Date received
Extension date	

as of  
January 1, 2017

Business name		Business email 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 (ORS) 307.220, 307.230, and 307.240, and rules related thereto, and in compliance with ORS 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 don't apply.

### Taxpayer declaration

I declare under penalties of false swearing (ORS 305.815 and ORS 305.990) 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 whether 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)	Phone

**I authorize the exchange of confidential information for this return via email.**

**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

**Please read instructions on previous sheet**

## Schedule A—General information

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

**Airlines:**

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

**Gas:**

- Pipeline
- Distribution
- Storage

**Oil:**

- Pipeline
- Distribution
- Storage

**Water transportation:**

- Large company
- Small company

**Railroads:**

- Class I
- Shortline
- Private car

**Communications:**

**% of business**

- |  |       |
|--|-------|
| <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"/> ISP/IAP           | _____ |
| <input type="checkbox"/> Cable television  | _____ |
| <input type="checkbox"/> Satellite         | _____ |

**Electric generation:**

- Generation transmission co-op
- Electric co-op
- Investor-owned
- Wind generation/solar/geothermal
- 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 aren't intended to supplant direct reference to the statutes and administrative rules themselves.

**308.520 Companies to file statements.** (1) Each company shall make and file with the Department of Revenue, on or before February 1 of each year, in such form 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, as may be required by the department; except that Class I railroads, Class A electric companies, communication companies, gas companies, large water transportation companies, pipeline companies, air transportation companies and private railcar companies shall file such statement on or before March 15 of each year.

(2) As used in this section, "large water transportation company" means a water transportation company with annual gross revenue exceeding \$2 million, of which at least 50 percent of the gross revenue is derived from the transportation of freight.

[Amended by 1957 c.711 §6; 1977 c.884 §8; 1995 c.256 §2; 1999 c.223 §2]

**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 real market value in excess of \$2,500.

[Amended by 1997 c.325 §20]

**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 real market value in excess of \$1,500.

[Amended by 1997 c.325 §21]

**307.240 Department of Revenue action required for telephone association and telephonic property exemptions.** Exemptions under ORS 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 307.220 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; 1997 c.113 §5]

### 150-307-0270 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.

Stat. Auth.: ORS 305.100 Stats. Implemented: ORS 307.220 Hist.: 6-61; 1-66; 3-70; 11-71; Renumbered from 150-307.220-(A), REV 55-2016, f. 8-13-16, cert. ef. 9-1-16

### 150-307-0280 Qualifications for Exemption of Mutual or Cooperative Telephone Associations

(1) Qualifying Conditions. Property owned by a mutual or cooperative telephone association is qualified for exemption if all the following conditions are satisfied:

(a) Ownership. The property must be owned by an association of persons that:

(A) Is wholly mutual or cooperative in character, whether incorporated or not. The characteristics of a mutual or cooperative association are:

(i) Each incorporated association is organized as a cooperative association or, if organized as a nonprofit

organization, its bylaws provide that it operate as a cooperative association.

(ii) Each unincorporated association provides in its bylaws that the association is mutual or cooperative in character and is not to produce profit.

(iii) While one member may hold more stock or shares in the association than another member, voting cannot be based on ownership of shares, stock, certificates, or other evidence of their interest. Voting must be restricted to one vote to a member, or in proportion to their actual, estimated or potential patronage, as the bylaws may provide, except that in no event may any one member thereby exercise a majority vote.

(iv) All members must share proportionately, according to their evidence of interest, in the cost of construction, maintenance, and operation of the association's properties, and in the division of any surplus or reserves accumulated when such a surplus or reserve is not necessary for proper maintenance or construction of such system or all members must share in proportion to their patronage as the bylaws may provide.

(B) Operates without profit in money.

(C) Has no business or purpose other than the provision of telephone communications service.

(b) Use. All persons served must be members and must own shares, stock, certificates, or other evidence of their interest.

(c) Value. The association's telephone property has a real market value of not more than \$2,500 as determined by the Department of Revenue.

(d) Operation. The association's telephone 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 telephone 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 telephone 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 blockwire;
- (h) Telephones.

(3) Ineligible Property. The following types of property that cannot qualify for exemption will 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.

ORS 305.100 Stats. Implemented: ORS 307.230  
Hist.: 6-61, 1-66, 3-70, 11-71; REV 10-2002, f. & cert. ef. 12-31-02;  
Renumbered from 150-307.220-(B), REV 55-2016, f. 8-13-16, cert. ef. 9-1-16

### **150-307-0290 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.

Stat, AUTH: ORS 305.100 Stats. Implements: ORS 307.230 Hist.: 6-61; 1-66; 3-70; 11-71; Renumbered from 150-307.230-(A), REV 55-2016, f. 8-13-16, cert. e. 9-1-16

### **150-307-0300 Qualifications for Exemption for Privately Owned Telephone Systems**

(1) Qualifying Conditions. Property as part of privately owned telephone systems 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. The person's telephone property has a real market value of not more than \$1,500 as determined by the Department of Revenue.

(d) Operation. The person's telephone communication system operation is conducted without ownership, operation or lease of telephone switchboard exchange facilities, or direct or indirect ownership of stock in any telephone 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 150-307-0280(2).

(3) Ineligible Property. The following types of property which cannot qualify for exemption will 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.

Change to: Stat. Auth.: ORS 305.100 Stats. Implemented: ORS 307.230 Hist.: 6-61; 1-66; 3-70; 11-71; REV 10-2002, f. & cert. ef. 12-31-02; Renumbered from 150-307.230-(B), REV 55-2016, f. 8-13-16, cert. ef. 9-1-16

### **150-307-0310 Application for Exemption Under ORS 307.220 or 307.230**

(1) The application for exemption must contain all data required on the form prescribed by the Department of Revenue. The application for the first year in which an exemption is requested must be filed on or before March

15, and the Department will act upon the application within 30 days after receipt of the application.

(2) The Department will 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; and

(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 will 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.

[Forms: Forms referenced are available from the agency.]

Stat. Auth.: ORS 305.100 Stats. Implemented: ORS 307.240 Hist.: 6-61; 1-66; 3-70; 11-71; 12-31-77; TC 2-1978, f. & cert. ef. 3-16-78; REV 10-2002, f. & cert. ef. 12-31-02; Renumbered from 150-307.240-(B), REV 55-2016, f. 8-13-16, cert. ef. 9-1-16