

Decision Tree State and Local Taxation

Should the current state gross receipts tax on electric utilities be eliminated?

⇒

IF YES, then what replacement mechanism should be imposed. [staff matrix, pp. 2,3]

- Corporate income tax.
- Consumption tax.
- Other

⇒

IF corporate income tax imposed, on what business income? [staff matrix, pp. 3,4]

- Generation only.
- All business income.
- Other

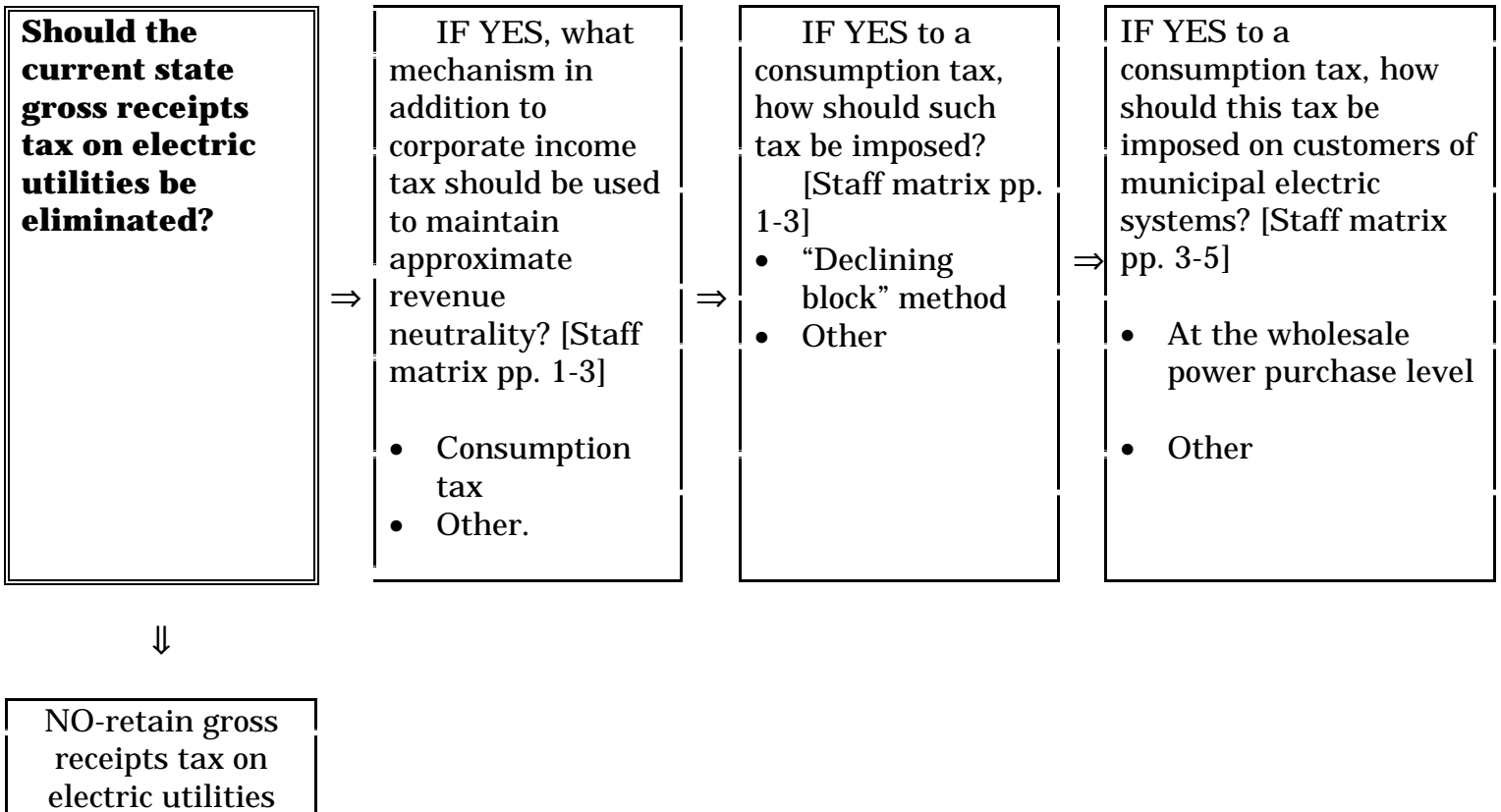
⇒

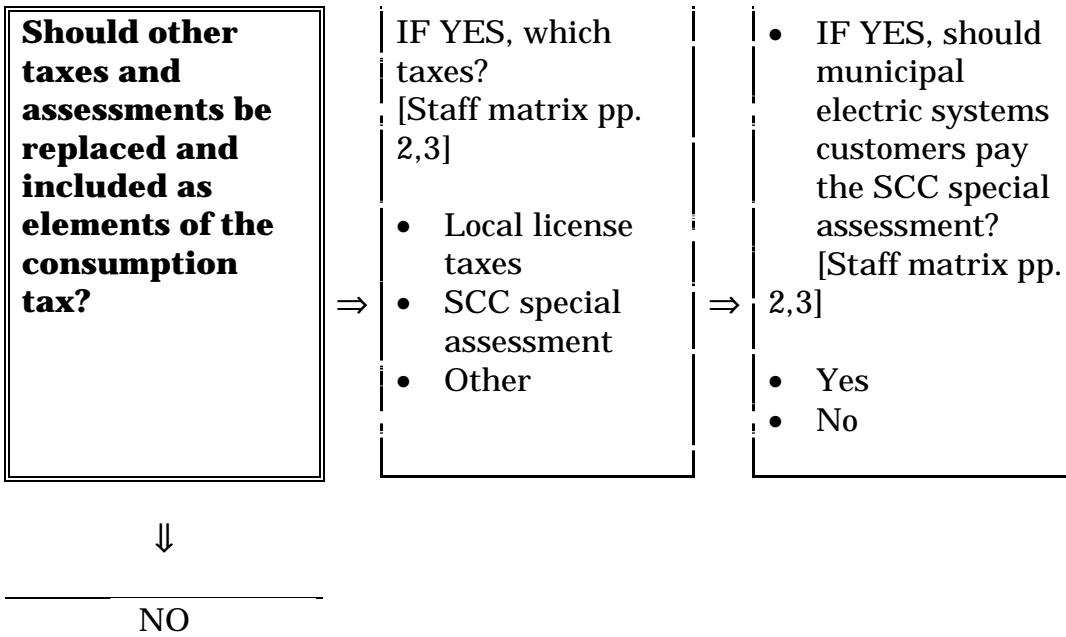
IF corporate income tax imposed, how should electric cooperatives be taxed? [Staff matrix pp 3-5]

- On all non-member income.
- On a modified gross receipts basis.
- Other

⇓

NO, retain current taxation methodology for electric utilities.

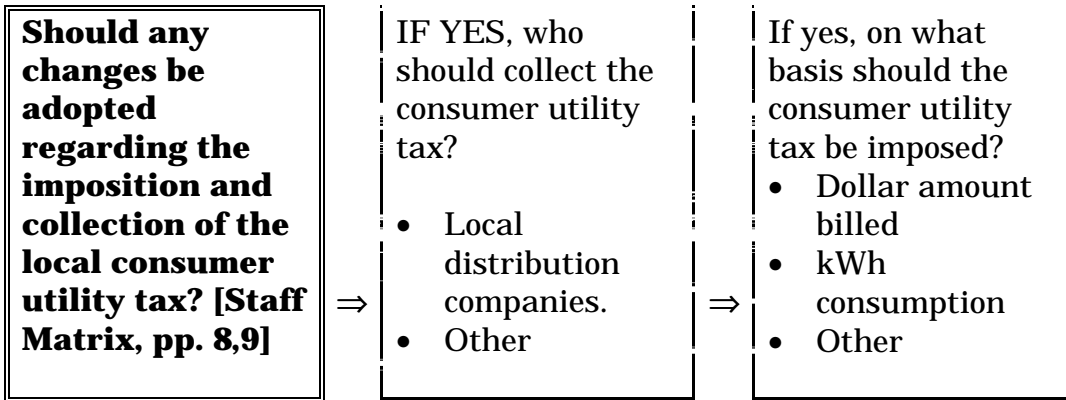




Which agency should have responsibility for administering and/or overseeing the taxation of electric utilities? [Staff Matrix, pp. 5,6]



- SCC
- Department of Taxation



NO-continue to collect consumer utility tax based on dollar amount billed

Should the all real property of electric generating facilities be assessed and taxed in an identical manner? [Staff Matrix, pp. 7,8]

⇒

IF YES, who should perform these assessments?

- SCC should centrally assess.
- Localities should assess
- Other

⇒

IF YES, what standards should be used in calculating assessed value:

- Original cost less depreciation
- "Book value" as defined by GAAP
- Develop a separate rate classification for generation facilities.
- Other



NO- SCC continues to assess generating facilities of public utilities, certified assessments forwarded to localities to apply real property rate. IPP's and NUG's facilities locally assessed, taxed at both real estate and machinery and tools rates.