

FINANCE AND ADMINISTRATION CABINET
Department of Revenue
(Amended After Comments)

103 KAR 8:090. Classification of property; public service corporations.

RELATES TO: KRS 136.010, 136.120, 136.130

STATUTORY AUTHORITY: KRS 131.130

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration and enforcement of all tax laws of this state. KRS 136.130 requires all public service corporations performing any public service in Kentucky to report certain facts prescribed by the department annually for purposes of the ad valorem tax on public service corporations imposed by KRS 136.120. KRS 136.120(2) states that the property of all taxpayers shall be classified as operating property, nonoperating tangible property, and nonoperating intangible property. This administrative regulation specifies the classification of certain operating property commonly held by public service corporations as real estate, personalty, and manufacturing machinery.

Section 1. Classification of Public Service Company Property. The department prescribes the following classification of property to be used by public service corporations in reporting under KRS 136.120 et seq. This list is not intended to be complete and comprehends only those items of property whose proper classification has been subject to some confusion in the past.

Type of Property	Classification
Leasehold	Real Estate
Oil & Gas Wells	Real Estate
Transmission Pipelines (Oil, Gas & Water)	Real Estate
Conduits	Real Estate
Oil & Gas Gathering Lines	Tangible Personal
Electric Transmission Lines	Tangible Personal
Electric Distribution Lines	Tangible Personal
Underground Cables	Tangible Personal
Telephone Lines	Tangible Personal
Wire in Underground Conduits	Tangible Personal
Electric Substations/ Transformers	Manufacturing Machinery
Machinery & Equipment used in the Manufacture of Gas	Manufacturing Machinery

(FN-2; 1 Ky.R. 1008; eff. 6-11-75; Am. 8 Ky.R. 68; eff. 9-2-81; 48 Ky.R. 465; 1584; eff. 3-1-2022.)

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