

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department for the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.)

The purpose of this information release is to explain the procedures for assessing the state education property tax on utility property for the 1999 tax year. If you have specific questions, contact the NH Department of Revenue, Property Appraisal Division, P.O. Box 457, Concord, NH 03302-0457 or (603) 271-2687.

Chapter 17, Laws of 1999, authorized the assessment of the state education property tax under two separate laws: RSA 83-F for utility property and RSA 76:3 for all other property. The purpose of this information release is to explain the procedures to assess the utility tax during this transition year.

During the legislative process, the department and legislature relied on property values reported for equalization purposes. In the past, the department did not appraise all utility property within the state. Some utility property not valued by the department was reported and equalized as "commercial" property.

For 1999, if all utility property was taxed based on a strict interpretation of RSA 83-F, double taxation would occur. This would occur because any utility property reported as "commercial" property was used to determine a community's obligation under RSA 76:3, the state education property tax. To prevent double taxation, the following procedures will be used to determine whether utility property will be taxed under RSA 83-F or RSA 76:3 for the 1999 tax year:

1. All utility property that was appraised by the department as of April 1, 1998 will be subject to taxation under RSA 83-F.
2. Any water utility that was reported on the 1998 MS-1 as "utility" property will be taxed under RSA 83-F. (The value of that water utility was removed from the total equalized valuation used to determine each community's state property tax obligation.)
3. Any utility property NOT included in 1 or 2 above will be taxed under RSA 76:3 for tax year 1999.

Two information sheets are listed below to assist communities in determining whether property is taxable under RSA 83-F or taxable under RSA 76:3. The first sheet lists utility owners, type of utility and town location (water utilities only). These are the utility properties which will be subject to taxation under RSA 83-F. The value of any utility NOT included on this list should be taxed by the municipality pursuant to RSA 76:3 since the value of these utilities was included in the "total equalized valuation" used to determine each municipality's share of the state education property tax.

The second sheet is a listing of "non-utility" property owned by utilities, but not subject to tax under RSA 83-F. These properties should be taxed under RSA 76:3.

The MS-1, Summary Inventory of Valuation, due September 1, 1999 has been revised to include a listing of all utilities and valuations for each. The "utility" section of this report will provide for segregation of the two utility types: those taxed under RSA 83-F and those taxed under RSA 76:3. Small power generating facilities, wood-chip burning facilities, hydro plants not making payments in lieu of taxes and similar facilities will no longer be included under "commercial" property, but will be reported under the utility section. The department has provided detailed instructions along with the new MS-1.

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UTILITY OWNERS SUBJECT TO 1999 UTILITY PROPERTY TAX	
ELECTRIC COMPANIES	
SEWER COMPANIES	
Canal Electric	Franklin Pierce College
Central Vermont Public Service	Resort Waste Services, Inc.
Concord Electric Co.	
Connecticut Light & Power	GAS/PIPELINE COMPANIES
Connecticut Valley Electric	Energy North Natural Gas
Exeter & Hampton Electric	Granite State Gas Transmission
Granite State Electric Company	Maritimes & Northeast Pipeline
Great Bay Power Company	Northern Utilities Inc.
Hudson Light & Power	PNGTS Operating Co, LLC
Massachusetts Wholesale Electric	Portland Pipeline
Montaup Electric Company	Tennessee Gas Pipeline
New England Electric Transmission	
New England Hydro-Transmission Co.	
New England Power	
NH Electric Cooperative	
North Atlantic Energy Corp.	
PSNH	
Tauton Municipal Lighting	
United Illuminating Company	
U.S. Generating Company	
Vermont Electric Power Company	

UTILITY OWNERS SUBJECT TO 1999 UTILITY PROPERTY TAX	
WATER COMPANIES	TOWN(S) LOCATED IN
B A Association	Derry
Beebe River Development, LLC	Campton
Consumers N.H. Water Company	Sandown
Francestown Village Water Co.	Francestown
Hampstead Area Water Co.	Danville, Hampstead
Hampton Water Works	Hampton, North Hampton, Rye

Hanover Water Works Company	Hanover
Integrated Water System, Inc.	Barnstead
Lakeland Management Company, Inc.	Belmont
Lakes Region Water Company	Moultonborough, Tamworth
Morningside Drive Association	Derry
North Country Water Supply	Strafford
Pennichuck Water Works	Amherst, Atkinson, Bedford, Derry, Hollis, Litchfield, Londonderry, Merrimack, Milford, Nashua, Newmarket, Pelham, Plaistow, Raymond, Windham
Pittsfield Aqueduct Company, Inc.	Pittsfield
Rosebrook Water Co., Inc.	Carroll
Salisbury Water Supply	Seabrook
Tilton-Northfield Aqueduct Co.	Northfield, Tilton
Walnut Ridge Water Co.	Atkinson

Note: Water companies may be located in towns other than those listed above. Listed beside the company name are only those towns which reported water companies as utility property on the 1998 summary of Inventory Valuation.

NON-UTILITY PROPERTY AS REPORTED IN THE DECEMBER 31, 1998 FEDERAL ENERGY REGULATORY COMMISSION REPORTS

The municipality shall collect the Astate education property tax@ for the following properties.

All other property owned by the utility will be assessed the Utility Property Tax in accordance with RSA 83-F.

Company Name	Property Description & Location
Conn. Light & Power	ROW-Davis Bridge-Colebrook-Winchester Generating site-Enfield
New England Power	Undeveloped land & land rights on the Connecticut River in the towns of Claremont, Clarksville, Dalton, Pittsburg, Plainfield
NH Electric Cooperative	Land-Tenney Mt. Hghwy, Plymouth, NH Building-Tenney Mt. Hghwy, Plymouth, NH Land-Green St, Plymouth, NH Building-Green St, Plymouth, NH Building-1869 Corporation, Plymouth, NH
Granite State Electric Company	Land & land rights for Keewayden

	Getaway,Keewayden Substation, Salem, NH
Public Service Company of NH	Manchester Steam Plant, Manchester, NH Newington Construction Office Bldg., Newington, NH Resistance Dockage, Portsmouth, NH

All properties in New Hampshire owned by the following companies are classified as Utility property@. **These companies reported no Anon-utility@ property in New Hampshire on the FERC reports.**

Canal Electric Company
Central Vermont Public Service
Connecticut Valley Electric
Granite State Gas
New England Electric Transmission
New England Hydro-Transmission
North Atlantic Energy Corp.
Northern Utilities Inc.
Portland Pipeline
Tennessee Gas Pipeline
United Illuminating Company
Vermont Electric Power Company

Note: Any utility not listed above did not send a copy of their FERC report to the D.R.A.
