

Property Tax Advisory

Property Tax Advisories are interpretive statements authorized by RCW 34.05.230.

PTA 20.1.2021

Issue Date: March 12, 2021

State-Assessed Utility Company Annual Apportionment Reports

Purpose

This Property Tax Advisory (PTA) is intended for all intercounty and interstate utility companies whose property is subject to state-assessment (also referred to as central-assessment) under Chapter [84.12](#) RCW, which includes property owned by railroad, airplane, electric light and power, landline and wireless telephone, gas distribution, and pipeline companies.

This PTA clarifies for these state-assessed companies what operating property to include in their annual reporting to the Department of Revenue (Department) for apportionment purposes as required in [WAC 458-50-110](#).

Background

Property of state-assessed companies that typically crosses county or state boundaries is valued by the Department, rather than by local county assessors. State law and rule specifies how the value of operating property for a state-assessed company is to be apportioned (i.e. distributed) among Washington's counties and the local taxing districts for property tax purposes. See [RCW 84.12.360](#) and [WAC 458-50-100](#).

When the Department apportions state-assessed property value, it bases the apportionment of the property value on historic cost, location information, and other statutory factors provided in annual reports prepared by the state-assessed companies.

Recently, a question arose about whether or not operating property that is *exempt* from property tax should be included in a company's annual apportionment report.

To request this document in an alternate format, visit <http://dor.wa.gov> and click on "contact us" or call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.

General tax information is available on our website at dor.wa.gov.

Please direct comments to:
Department of Revenue
Property Tax Division
PO Box 47471
Olympia, Washington 98504-7471
(360) 534-1400

Report only taxable property in annual apportionment reports

The Department's response to the above question is to *not* include exempt property in the apportionment report.

When annually reporting historic costs and locations of operating property in WA, include only *taxable* real and personal operating property.

Examples of taxable and exempt operating property

Examples of taxable real and personal operating property to include in annual apportionment reports:

- Land
- Buildings
- Equipment
- Canned and embedded software

Examples of *exempt* property to exclude from the annual apportionment reports:

- Custom software
 - Licensed vehicles
 - Intangible personal property such as trademarks, trade names, brand names, and patents. See RCW [84.36.070\(2\)\(c\)](#).
-

For assistance

If you have related questions about what should or should not be included on a company's annual apportionment report or how to exclude certain exempt property when reporting, please contact the Property Tax Division of the Department at (360) 534-1400.
