

CHAPTER 8

PROPERTY VALUATION METHODOLOGY AND ASSESSMENT (CAR COMPANIES)

Section 1. Authority. These Rules are promulgated under the authority of W.S. 39-11-102(b).

Section 2. Purpose of Rules. These rules are intended to describe the valuation methodology to be used to determine the taxable value of Car Companies for property tax purposes. The manuals, formulae, methods, systems, computations, standards, and criteria to be used by the Department to determine fair value are set forth herein.

Section 3. Definitions. For the purpose of ad valorem taxation under these Rules, the definitions set forth in Title 39, as amended, are incorporated herein by reference. In addition, the following definitions shall apply:

- (a) "Best Information Appraisal" means the calculation of value based upon:
 - (i) Total Wyoming mileage, loaded and empty;
 - (ii) Class of car and;
 - (iii) Information provided by the railroad companies report; and
 - (iv) Information provided by the car company.
- (b) "Calendar Year" means the year from January 1st through December 31st.
- (c) "Car Company" means all owners of railroad rolling stock (owned and leased) operating or present in the State during the preceding calendar year. This does not include those companies reporting as Wyoming railroad companies as defined by W.S. 39-13-102(m)(iv).
- (d) "Class of cars" means class f - flat, class g - gondola, class h - hopper, class l - special, class mw - maintenance of way, class n - caboose, class p - passenger, class r - refrigerators, class s - stock, class t - tank, class x - box, as used by the Association of American Railroads, Operations and Maintenance Department, Mechanical Division in the classification of freight equipment cars.
- (e) "Department" means the Department of Revenue, Property Tax Division.
- (f) "Railway Company" means the railroad companies operating within the State of Wyoming.
- (g) "State Appraiser" means those personnel employed by the Department with specific job responsibilities for appraisal of properties specified in W.S. 39-13-102(m)(ii)-(xi).
- (h) "Mileage" means both loaded and empty car miles.
- (i) "Cars idle" mean cars stored, shopped, bad ordered and cars in queue time mode for loading and unloading.

(j) "Time/speed study" means a detailed narrative and statistically significant sample of a company's Wyoming car movements, including cars idle, within a calendar month.

Section 4. Annual Reporting Requirements.

(a) Each Department assessed car company shall submit an annual report to the Department on or before May 1 each year. The requested information shall include: complete ownership delineation; reporting marks; class of cars; the number of units per class of cars; the total Wyoming mileage and system mileage for the preceding calendar year as defined by this chapter; route information and travel times necessary to determine average daily mileage; year(s) built or year(s) of acquisition; historical or original cost and additions and betterment made to cars; amount included in original cost associated with items included in the additions and betterment; daily average number of cars idle; and supplemental documents as the Department requires.

(b) Any request for extension of the filing deadline with the department shall be submitted in writing prior to the statutory due date. Extensions shall not be granted for greater than fifteen (15) calendar days.

(c) Failure to file a reporting form, or an incomplete filing by a company shall require the Department to value the company using the Best Information Available requirements of W.S. 39-13-107(a)(iii), W.S. 39-13-103(b)(xvi)(C), and by the methods set forth in this chapter. The failure to report shall subject the company to the penalty provisions of W.S. 39-13-108(c)(ii)(B).

(d) The Department shall notify each car company by October 15th of each year, the month to be used for the following year's time/speed study. If the company fails to provide the study, the Department shall use the best information available to determine the number of cars. The company shall be required to file the time/speed study every three years or upon Department request.

Section 5. Valuation.

(a) The Department shall annually determine the value of car companies based upon the use of market information available to the Department for each particular class of car using class specific cost, sales and income information submitted by the taxpayer, data from operating railroads within Wyoming and generally recognized value publications in the market and/or other recognized financial materials available to the Department; and

(b) The number of Wyoming cars multiplied by the fair market value of the car.

(c) The Wyoming fair market value multiplied by the level of assessment shall determine the Wyoming assessed value;

(d) The Wyoming tax due shall be the total Wyoming assessed value multiplied by the statewide average mill levy.

Section 6. Valuation Basis Explanation to Taxpayer.

(a) The Department will compare the car company's mileage reports to the railroad company's mileage information. If there is a discrepancy, the Department will advise the car company of the discrepancy, and the company will have fourteen (14) calendar days to correct the

report and/or explain the discrepancy. If the company does not adequately respond within fourteen (14) days, the Department will issue a valuation using the mileage that results in a higher tax amount.

(b) The Department will provide each assessed car company a preliminary notice of taxable value setting forth the methods used to arrive at value.

(i) The company may request an informal conference to object to the preliminary notice of value and to provide information as to any errors of fact or law or present additional information. If the objection is a clerical error, the company shall immediately notify the Department, and a conference may not be necessary.

(ii) The request for conference must be made in writing and filed with the Department within ten (10) calendar days of the postmark of the preliminary notice. The Department will notify the company of the date of the conference by phone or electronic mail.

Section 7. Notification of Billing.

(a) Annually, on or before September 15th or as soon thereafter as possible, the Department shall calculate and mail to each car company a statement of final value and the tax due. The taxes must be paid to the Department on or before December 31 of each year. Delinquent taxes shall bear an interest rate of eleven (11%) per annum.

Section 8. Annual Report Audit Rights and Responsibilities. The Department reserves the right to engage the Department of Audit to conduct property tax audits on Department assessed car companies.