

Historical Tax Law Changes Intrastate Utility Corporation Assessments

Laws 1947, Chapter 79 levied an annual assessment against utility corporations that were required to hold certificates of convenience and necessity. The assessment was levied on the gross operating revenue derived from each utility's intrastate operations during the preceding calendar year. The assessment rate was 0.1% on the first \$250,000 of operating revenue and 0.2% on revenue above \$250,000. The Corporation Commission levied the assessment no later than July 1 of each year and sent notice of the assessment to each corporation by registered mail. The assessment was payable within 15 days after the mailing. All proceeds from the assessment were collected by the Corporation Commission and deposited in the state General Fund. (Effective June 19, 1947)

Laws 1983, Chapter 308 replaced the intrastate utility corporation assessment with two separate assessments. One assessment was levied for the support of the Corporation Commission's Utilities Division. The second assessment was levied for the support of the newly established Residential Utility Consumer Office (RUCO). The provisions of this law are currently in effect. (Effective April 29, 1983)

Laws 1985, Chapter 276 required public service corporations with gross operating revenues exceeding \$250,000 to file a statement by January 10th of its estimated gross intrastate operating revenues during the preceding calendar year. (Effective August 7, 1985)

Laws 1994, Chapter 273 exempted member-owned nonprofit cooperative corporations from the jurisdiction of the Residential Utility Consumer Officer (RUCO) and required assessments to be sent by certified, rather than registered, mail. (Effective July 17, 1994)

Laws 2001, Chapter 238 expands the use of the Utility Regulation Revolving Fund to include general administrative and legal expenses of the Commission, which allowed an estimated \$692,000 of expenses to be shifted from the General Fund beginning in FY 2002. This also has the result of increasing the base used in determining the Utilities Division assessment for these years.

Laws 2001, Chapter 300 made identical changes to those passed in Laws 2001, Chapter 238.

Laws 2003, Chapter 263 further expanded the use of the Utility Regulation Revolving Fund to include Corporation Commissioners' expenses, which allowed an additional estimated \$240,000 of expenses to be shifted from the General Fund beginning in FY 2004. This also had the result of increasing the base used in determining the Utilities Division assessment for these years.

Laws 2005, Chapter 79 raised the minimum gross operating revenue threshold that must be met by a company regulated by the Corporation Commission to be subject to the assessment from \$250,000 to \$500,000. It also increased the statutorily established amount that the Corporation Commission may assess regulated companies from two-tenths of a percent (.002) to one-quarter of 1% (.0025) of gross annual operating revenues for deposit into URRF and the RUCO Revolving Fund. (Effective August 12, 2005)