



STATE TAX COMMISSION OF MISSOURI ASSESSOR MANUAL

CHAPTER:

ASSESSMENT OF PROPANE TANKS

REVISION DATE: 8/26/2014

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7.8 ASSESSMENT OF PROPANE TANKS

Propane tanks should be classified as real property. The assessor will then need to determine their sub-classification: residential, agricultural or commercial.

Classification:

Section 137.010.4 RSMo (Supp 2014) states: “Real property” includes land itself, whether laid out in town lots or otherwise, and all growing crops, buildings, structures, improvements and fixtures of whatever kind thereon, hydroelectric power generating equipment, the installed poles used in the transmission or reception of electrical energy, audio signals, video signals or similar purposes, provided the owner of such installed poles is also an owner of a fee simple interest, possessor of an easement, holder of a license or franchise, or is the beneficiary of a right-of-way dedicated for public utility purposes for the underlying land; attached wires, transformers, amplifiers, substations and other such devices and appurtenances used in the transmission or reception of electrical energy, audio signals, video signals or similar purposes when owned by the owner of the installed poles, otherwise such items are considered personal property; and stationary property used for transportation **or storage** of liquid and gaseous products, including, but not limited to, petroleum products, natural gas, **propane or LP gas equipment**, water and sewage; (emphasis added)

Sub-classification:

Section 137.016 RSMo defines the sub-classifications of property.

- Residential property includes property with a structure to be used as a dwelling, property in connection with an airport and property with a golf course.
- Agricultural property is property devoted to raising crops and livestock.
- Commercial property as been deemed to include “all other property.” See *Sinclair v. Zimmerman*, STC 90-32613. In *Brookside Estates v. STC*, 849 S.W. 2d 29, the taxpayer argued that the concrete pad for the mobile home should be classified as residential as it will be used for a structure to be used as a dwelling. The Court declined that interpretation and focused on the word structure to be used as a dwelling – finding that the concrete pad was not a dwelling.

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Given the *Brookside* case, the propane tanks owned by propane companies should be classified as commercial.

Taxpayer

Lastly, the assessor should assess the leased propane tanks against the company. The company owns the tanks. If taxes are not paid on the land or not paid on the tanks, the collector may sell off the properties separately. (See Op. Atty. Gen No. 86, Stumberg, 1954)