

State Tax Commission Annual Report - 2023

CHAPTER II

ORIGINAL ASSESSMENT & APPELLATE FUNCTIONS

PROPERTY SUBJECT TO ORIGINAL ASSESSMENT

The State Tax Commission of Missouri (Commission) has the exclusive power of original assessment of the distributable property of railroads, street railroads, bridges, telegraph, telephone, electric power and light companies, electric transmission lines, transmission pipeline companies, express companies and other similar public utility corporations, companies and firms. The three classic approaches to value (cost, income, and market), when applicable, are utilized to estimate the market value of centrally assessed companies and property. Additionally, the flanged wheel equipment of private car companies and the commercial aircraft of airline companies are originally assessed.

The Commission requires each company to provide a financial statement and/or operating information, which will enable the Commission to study each particular company. Dates are set for informal hearings after a tentative assessment is made. Each company is notified of their assessment and given an opportunity to be heard before a final assessment is determined. Thereafter, the Commission certifies a final value to the companies. After determining the final value, the Commission allocates the valuation of each company, except private car companies and commercial aircraft, among the counties, road districts, cities, towns, sewer districts, ambulance districts, county library districts, and nursing home districts, etc. in which the company has mileage or other taxing situs and certifies the same to the county clerks and the companies. Valuations, as assessed by the Commission, are shown in Chapter V, Table I of this report.

If a centrally assessed company wishes to formally contest the final value, an appeal must be made to the Commission within thirty days after the Commission's certification. The Commission, with the aid of an assistant attorney general, hears the case on the record. The Chief Counsel for the Commission represents the Commission's Original Assessment Section in the appeal hearing. A decision is issued and, in the event of an unfavorable decision, the company may appeal to circuit court.

The assessment for commercial aircraft of airline companies, as well as those aircraft over 3,000 pounds maximum certified gross take-off weight and not engaged in air commerce, is based upon the ratio of Missouri miles to system-wide miles. An entity not engaged in air commerce must return their personal property list to the assessor and must inform the assessor of the claim of "commercial aircraft" and their request to be centrally assessed based on their prorated miles. Dates are set for informal hearings after a tentative assessment is made. Each entity is notified of their assessment and given an opportunity to be heard before a final assessment is determined. Thereafter, the Commission certifies a final value to the entities and the county clerks by June 15. If an entity with commercial aircraft wishes to formally contest the final value, an appeal must be made to the Commission by August 15.

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TELEPHONE COMPANIES

The assessed value of each telephone company electing to be assessed utilizing the methodology defined in RSMo, 137.122, as compared to its assessed value if not making the election, is provided as follows for each company:

No elections this year.

PROPERTY TAX APPEALS

The State Tax Commission is empowered to hear appeals from the local boards of equalization of 114 counties and the City of St. Louis in Missouri. In all counties and the City of St. Louis, the appeals must be filed with the State Tax Commission by September 30 or within thirty days of the final action of the board, whichever date is later. The State Tax Commission acknowledges receipt of the appeal, sends a notice of the appeal to the local assessing officials as directed by Section 138.340.4, RSMo, assigns a hearing officer, and sets the matter for prehearing conference and, if necessary, an evidentiary hearing. An evidentiary hearing is a trial in which evidence is presented and witnesses testify under oath. The fundamental rules of evidence, the Missouri Supreme Court Rules of Civil Procedure, and the Missouri Administrative Practices Act apply. A Commission hearing officer hears the appeal, and a record of the proceeding is made. A decision and order containing findings of fact and conclusions of law as determined by the hearing officer sitting as administrative law judge is issued that either sustains the decision of the local board or sets aside the decision of the local board and orders the assessment rolls to be amended to reflect the decision. The decision of the hearing officer may be reviewed by the Commission upon application by either party. A final decision and order may be appealed to the circuit court of the county in which the appeal originated.