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## STATE TAX COMMISSION OF MISSOURI ASSESSOR MANUAL

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CHAPTER:

### ASSESSMENT OF NATURAL GAS DISTRIBUTION COMPANIES

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#### **7.4 ASSESSMENT OF NATURAL GAS LOCAL DISTRIBUTION COMPANIES**

Natural gas local distribution companies are companies serving intrastate customers, namely residential and commercial/industrial customers. At this time, these companies are locally assessed.

Originally, these companies were primarily located within the boundaries of one county. However, due to system expansions and company mergers, many companies now cross county and state boundaries. The companies supplying gas to the distribution companies (known as transmission companies) are typically interstate in nature. Some also supply large industrial customers. These companies are centrally assessed by the State Tax Commission.

All companies rely on original costs as a starting point. It is important for the assessor to arrive at a reasonable level of depreciation.

Section 137.010, RSMo, states that real property includes "stationary property used for transportation of liquid and gaseous products, including, but not limited to, petroleum products, natural gas, water, and sewage." Gas distribution mains are required to be assessed as real property.

Valuation and parceling of structures, such as offices, should be consistent with similar property in the county. Other real property, such as pipe, should be parceled in the taxing jurisdiction where it is located. Personal property values should be allocated to the taxing jurisdiction by location.

Real Property placed in service on or after January 2, 2024: Original costs should be reported by year placed in service to determine depreciation utilizing the 50-Year Real Property Depreciation Natural Gas Reporting Form 03/2025 and 50-Year Real Property Depreciation Natural Gas Valuation Form 03/2025 on the STC website.

Real Property placed in service on or before January 1, 2024: Original costs should be reported by year placed in service to determine depreciation utilizing the 20-Year Real Property Depreciation Natural Gas Reporting Form 03/2025 and 20-Year Real Property Depreciation Natural Gas Valuation Form 03/2025 on the STC website.

All personal property: Original costs should be report by year placed in service to determine depreciation utilizing the Personal Property Depreciation Natural Gas Reporting Form 03/2025 and Personal Property Depreciation Natural Gas Valuation Form 03/2025 on the STC website.