

CR 83-22

1-AC-55

CERTIFICATE

STATE OF WISCONSIN )  
 ) ss.  
PUBLIC SERVICE COMMISSION )

**RECEIVED**

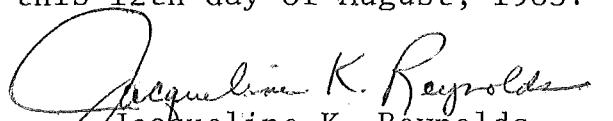
AUG 15 1983  
4:10 pm  
Revisor of Statutes  
Bureau

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Jacqueline K. Reynolds, Secretary of the Public Service Commission of Wisconsin, and custodian of the official records of said commission, do hereby certify that the annexed order repealing and recreating Wis. Adm. Code section PSC 109.01, amendment of sec. PSC 109.02 (intro), and repeal of subs. PSC 109.02(1), 109.02(2) and 109.02(3), concerning calculation of tax equivalent was duly approved and adopted by this commission on August 9, 1983.

I further certify that said copy has been compared by me with the original on file in this commission and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the commission at the Hill Farms State Office Building, in the City of Madison this 12th day of August, 1983.

  
Jacqueline K. Reynolds  
Secretary of the Public Service  
Commission of Wisconsin

10-1-83

RECEIVED

AUG 15 1983

Revisor of Statutes  
Bureau

BEFORE THE

COMPARED WITH AND CERTIFIED BY ME  
TO BE A FULL, TRUE AND CORRECT COPY  
OF THE ORIGINAL ON FILE IN MY OFFICE

AUG 9 1983

*Jeacqueline K. Reynolds*

Secretary to the Commission  
Public Service Commission of Wisconsin

DATE MAILED  
AUG 11 1983

PUBLIC SERVICE COMMISSION OF WISCONSIN

Tax Equivalent)

1-AC-55

ORDER OF THE PUBLIC  
SERVICE COMMISSION AMENDING RULES



Relating to repeal and recreation of sec. PSC 109.01,  
amendment of sec. PSC 109.02 (intro), and repeal of subs.  
PSC 109.02(1), 109.02(2) and 109.02(3), concerning calculation of  
tax equivalent.

ANALYSIS BY THE PUBLIC SERVICE  
COMMISSION OF WISCONSIN

Although municipal utilities do not pay taxes, a "local  
and school tax equivalent" (sec. 66.069(1)(c), Stats.) is computed  
by the commission in determining expenses from which municipal  
utilities' rates are calculated. Sec. PSC 109.02 sets forth how  
to compute this tax equivalent.

The rule is being amended to include a new definition of  
"assessment ratio." In calculating the equivalent, sec.  
PSC 109.02(3) defines "the ratio of assessed value to full value"  
to mean a ratio calculated from the statistical report prepared by  
county clerks. In the past, problems in accuracy as well as  
variations in preparation of this report led to problems in  
calculation of the tax equivalent. The new rule will base the

"assessment ratio" on the county clerk's statement of assessment as filed with the department of revenue. The change should lead to more accurate and uniform calculation of the tax equivalent.

The rule format is also being revised to remove certain definitions from PSC 109.02 and place them in a separate section.

PROPOSED RULE AND STATUTORY AUTHORITY

Pursuant to authority vested in the public service commission by secs. 196.08 and 227.014, Stats., the commission proposes to adopt rules as follow:

SECTION 1: Sec. PSC 109.01 is repealed and recreated to read:

PSC 109.01 DEFINITIONS. In this chapter (1) "Local and school tax rates for the calendar year" means those rates established by local authority for the same calendar year.

(2) "Gross book value for the calendar year" means the book value as of January 1 of that year.

(3) "Assessment ratio" means the decimal fraction rounded to the nearest ten thousandth obtained when the assessed value of all taxable nonmanufacturing property as taken from the clerk's statement of assessment filed with the department of revenue is divided by the value of all taxable nonmanufacturing property in the taxation district as determined by the department of revenue prior to adjustments under s. 70.57, Stats.

SECTION 2: Sec. PSC 109.02 (intro) is amended to read:

PSC 109.02 MUNICIPAL UTILITIES; COMPUTING TAX EQUIVALENT. The maximum "tax equivalent" for any municipal utility (except a sewer utility) ~~must~~ shall be determined in the following manner: Apply by applying the local and school tax rates for the calendar year ~~(1)~~ to the gross book value for the calendar year ~~(2)~~ of plant plus materials and supplies multiplied by the ~~assessment ratio of value to full value~~ ~~(3)~~ for the ~~community~~ municipality involved.

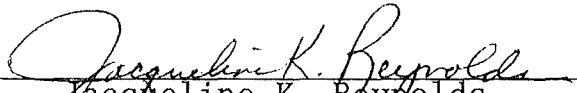
SECTION 3: Subs. PSC 109.02(1), 109.02(2) and 109.02(3)  
are repealed.

There will be no fiscal impact of the proposed rules on the state or municipalities. The proposed rules have been forwarded to the legislature for review pursuant to sec. 227.018, Stats. They will take effect on the first day of the month following publication in the Wisconsin Administrative Register, as provided in sec. 227.026, Stats.

Dated at Madison, Wisconsin,

August 9, 1983

By the Commission.

  
Jacqueline K. Reynolds  
Secretary to the Commission