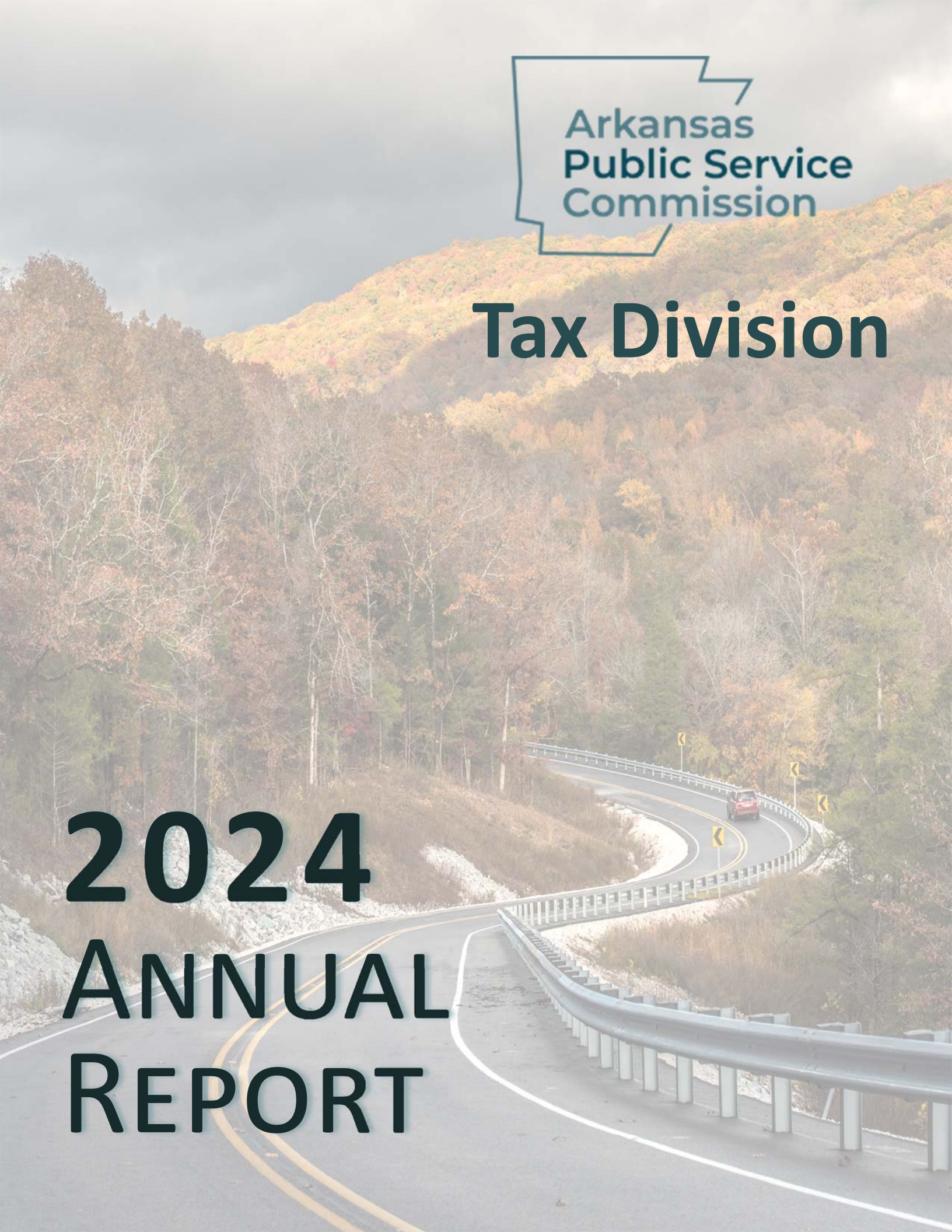




# Tax Division

# 2024 ANNUAL REPORT





## **MISSION STATEMENT**

The Arkansas Public Service Commission is a pro-active, solutions-oriented agency that maximizes customer value and enhances the economic environment of the state. This is done by ensuring safe, reliable and reasonably-priced utility service; educating consumers to make independent and informed choices; and ensuring the fair and equitable ad valorem assessment and equalization of public utility and carrier property.

It is the mission of the Arkansas Public Service Commission Tax Division to efficiently and effectively render ad valorem assessments for utilities and carriers; to perform all duties regarding the ad valorem assessment of public utility and carrier property in a manner that is fair and equitable to all stakeholders; and to conduct its business in a manner that is responsive to all stakeholders and worthy of public trust.

## INTRODUCTION

The Tax Division of the Arkansas Public Service Commission is responsible for the annual valuation and ad valorem assessment of public utilities and carriers operating in Arkansas.

During 2024, the Tax Division valued and assessed the real and personal property of 83 telecommunications companies and their operating subsidiaries, 45 cable television companies and their operating subsidiaries, 32 electric companies and cooperatives, 3 gas distribution companies, 12 gas transmission, 12 pipeline companies, 5 solar companies, 4 water companies, 24 railroads, 468 private railcar companies, 22 airlines, 65 barge lines and 13,108 motor carriers. One hundred nine telecommunications companies offering services in Arkansas reported having no property in the state. The market value of the utilities and carriers valued by the Tax Division in 2024 was approximately \$34,862,784,795, which represents an assessed value of \$6,972,556,959 and an estimated property tax of \$340,232,889.

In 2023, the Tax Division valued the real and personal property of 14,100 utilities and carriers. The assessed value of the utilities and carriers in 2023 was approximately \$6,520,421,137 and the estimated property tax on the assessed value was approximately \$317,176,757.

The property tax revenue resulting from the assessments made by the Tax Division is a significant source of monetary support for the schools, cities, and counties of Arkansas. In addition, Ark. Code Ann. § 26-26-1616 provides for an Ad Valorem Tax Fund, funded by revenues resulting from the Tax Division's assessments on carriers. The Ad Valorem Tax Fund is used to fund the Counties and Municipalities Section of Legislative Audit, the Assessment Coordination Department, and the Tax Division. The taxes and penalties collected from water transportation companies in excess of \$2,500,000 are deposited in the State Treasury and credited to the Arkansas Waterways Commission, the Arkansas Port, Intermodal, and Waterways Development Grant Program, and the Arkansas River Navigation System Fund. The State Treasurer may transmit the remainder of the Fund to the respective counties in the state.

## **HISTORY**

The Tax Division of the Arkansas Public Service Commission's origin can be traced to Act 114 of 1883. The General Assembly created the Board of Railroad Commissioners in 1883. The Board was given the power of original assessment of certain railroad properties for the purpose of taxation. Subsequent acts have broadened the responsibilities of the Tax Division and placed the administration and enforcement of the property tax laws related to public utilities and carriers under the direction and supervision of the Arkansas Public Service Commission. The Tax Division's assessment responsibilities have been expanded to include the assessment of airlines, motor carriers, barge lines and utilities operating within the state of Arkansas, as well as railroads.

## **AGENCY ORGANIZATION**

The Tax Division's authorized budget for fiscal year 2025 is \$1.8 million. The budget includes a contingency fund of \$400,000 for tax assessment appeals. The Tax Division must have prior approval to access the contingency fund. The Division is authorized to employ a staff of fifteen full-time employees including a Director, an Assistant Director, an Assistant Director of Motor Carrier Programs, a Financial Analyst, a Fiscal Support Manager, a Tax Valuation Supervisor, a Research Project Analyst, an Administrative Analyst, a Finance Program Analyst, and six Tax Valuation Analysts. The Division is also allowed five part-time positions.

## **ASSESSMENT PROCESS**

Each year, the Tax Division mails Ad Valorem Report forms to the utilities and carriers to obtain the information needed for the assessment process. With the exception of motor carriers and private car companies, the companies are required to file the completed forms with the Tax Division on or before March 1. Motor carrier companies are required to file the completed report forms by March 31, and private railroad car companies are required to file the completed report forms by April 1. Utilities and carriers may be granted an extension of not more than sixty days to file the report forms. Companies that fail to file the report form within the time required are delinquent and are subject to penalties prescribed in Ark. Code Ann. § 26-26-1604.

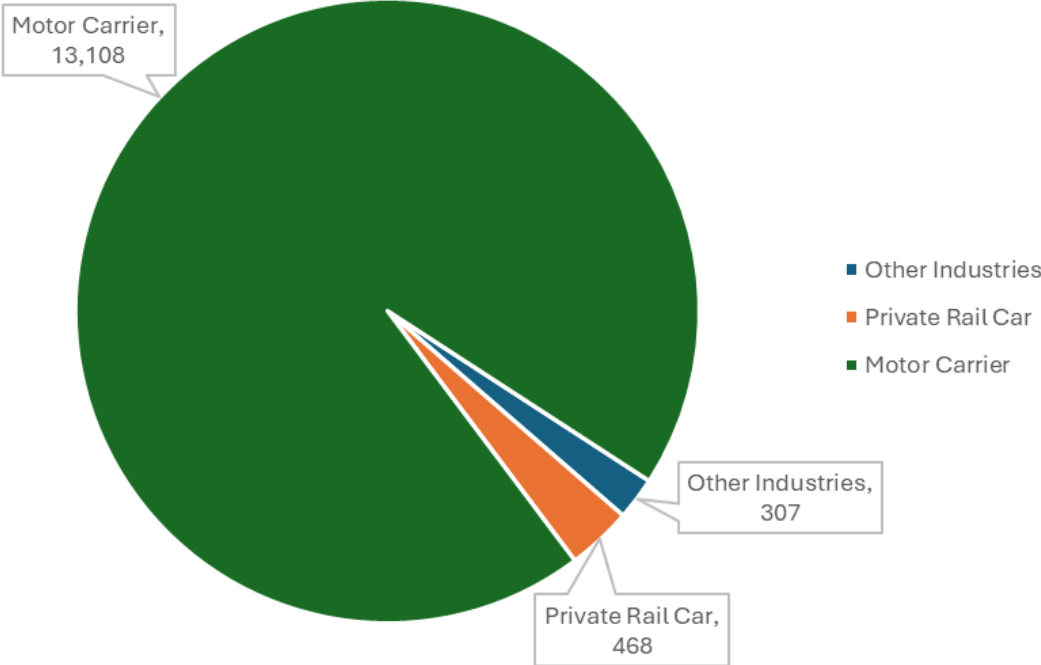


Once the Tax Division receives the report forms, it begins the process of valuing and assessing the companies. The Tax Division considers the economic and financial factors that impact the various industries and factors that may affect a specific company's valuation in the valuation and assessment process. The Tax Division personnel must have specialized knowledge of the industries assessed and stay abreast of the economic, regulatory, and technological changes that take place in the utility and carrier industries. As part of the assessment process, the Tax Division holds informal pre-assessment hearings with utilities or carriers that request such hearings.

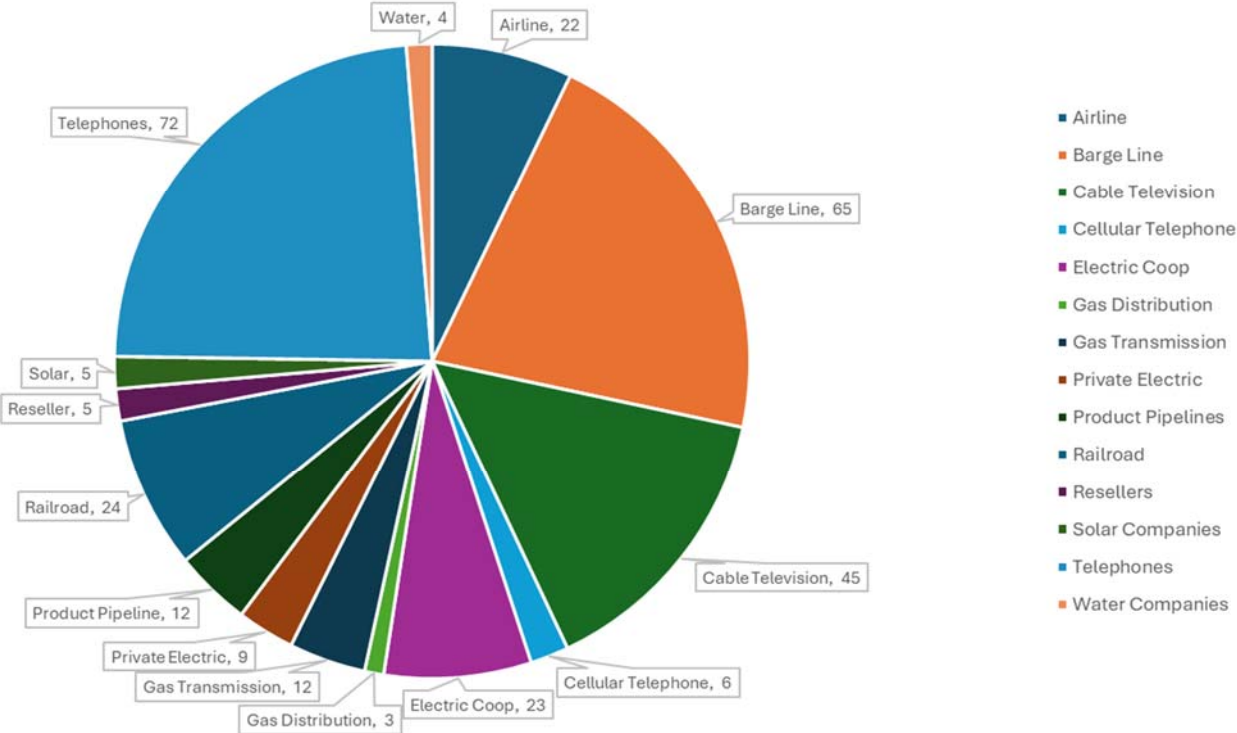
Once the Tax Division completes the valuation and assessment process, the utility assessments are submitted to the Arkansas Public Service Commission for approval and the carrier assessments are submitted to the Arkansas State Highway Commission for approval. After the Commissions approve the assessments, a notice of assessment is mailed to each of the utilities and carriers assessed by the Tax Division. The utilities and carriers then have a thirty (30) day period to file a formal petition for review of the assessment. The final assessment amounts for utilities and railroads are certified to the County Assessors on or before July 15th to be placed on the county tax rolls. Motor carrier, airline, barge line and private car company assessments are certified to the Department of Finance and Administration in February of the year following the assessment. The applicable millage rates are applied to the assessments by county or state officials to produce the tax amounts to be billed and collected.

When a utility or carrier files a timely petition for review of its assessment, a hearing on the petition is held before the appropriate commission. Currently, there are no appeals pending before the Public Service Commission or the Highway Commission. The decisions of the Public Service Commission and the Highway Commission on utility or carrier assessment appeals may be appealed to the Pulaski County Circuit Court.

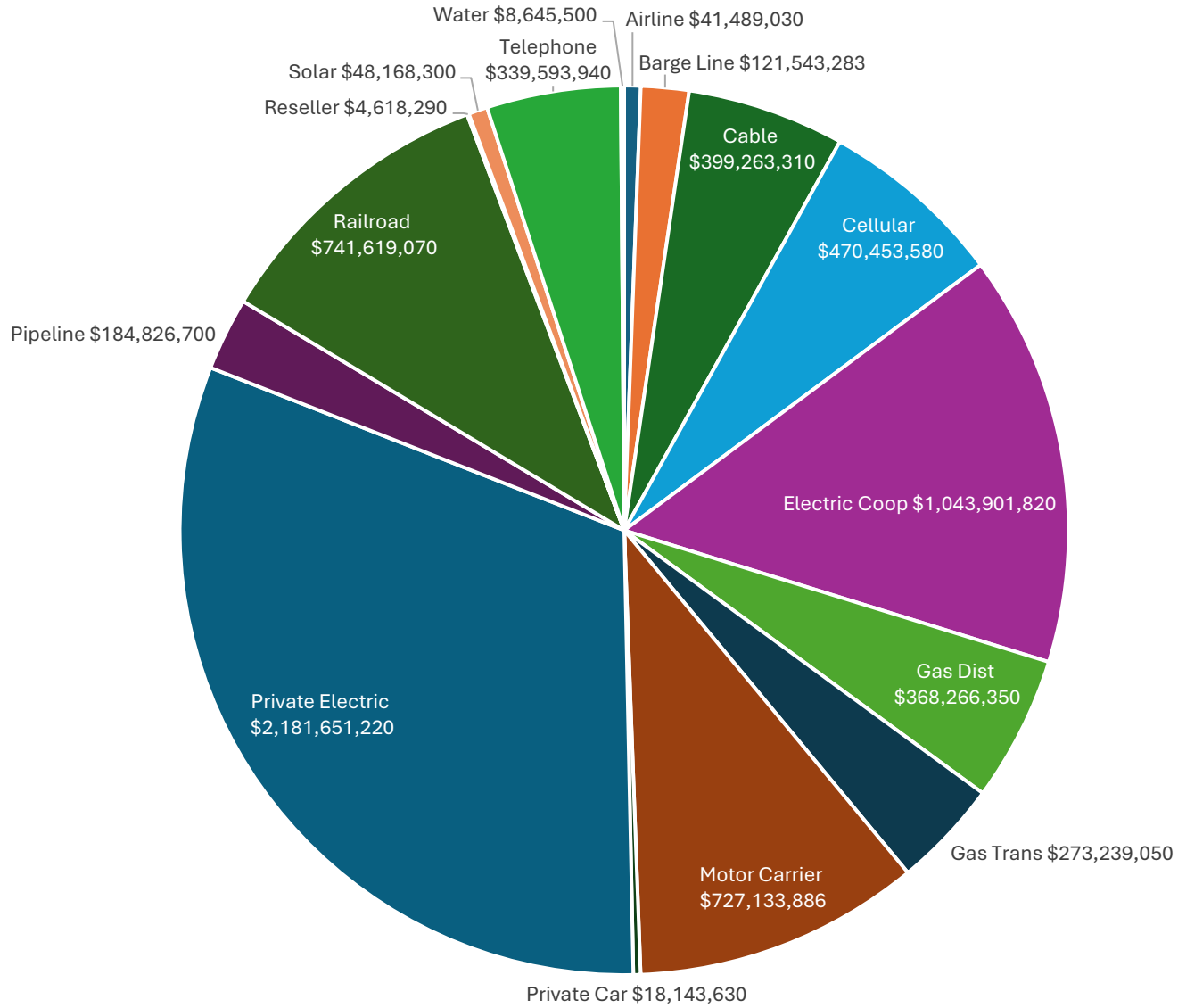
# Number of Companies Assessed in 2024: 13,883



## Other Industries



# 2024 Assessed Values by Industry







## Ten Year Comparison 2014 - 2024

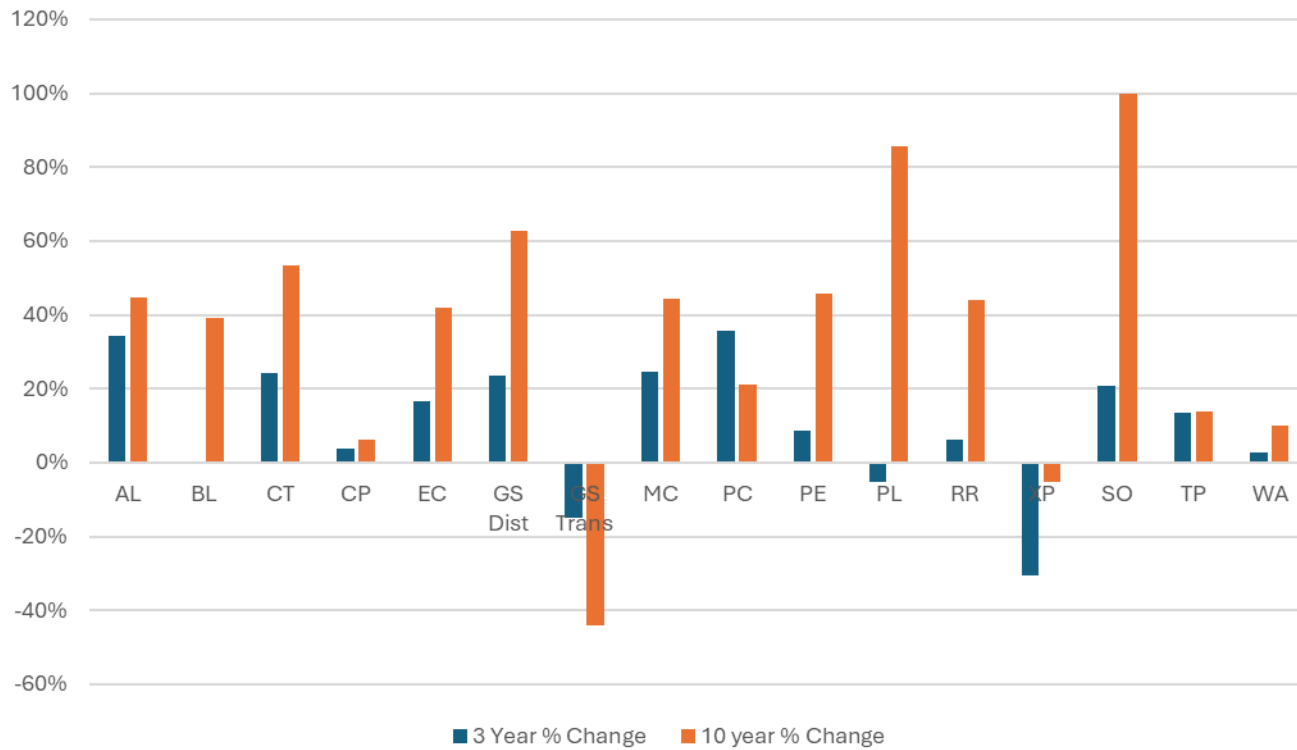
Class of Property	2014 Assessed Values	2024 Assessed Values	Gain or Loss
Airline (situs)	\$397,620	\$915,580	\$517,960
Barge Line (situs)	\$1,799,820	\$556,050	(\$1,243,770)
Cable Television	\$186,617,980	\$399,263,310	\$212,645,330
Cellular Telephone	\$440,618,960	\$470,453,580	\$29,834,620
Electric Coop	\$604,906,960	\$1,043,901,820	\$438,994,860
Gas Distribution	\$137,027,000	\$368,266,350	\$231,239,350
Gas Transmission	\$393,953,250	\$273,239,050	(\$120,714,200)
Motor Carrier (situs)	\$7,720,250	\$11,816,410	\$4,096,160
Private Car (situs)	\$2,729,800	\$2,297,300	(\$432,500)
Private Electric	\$1,180,626,630	\$2,181,651,220	\$1,001,024,590
Product Pipelines	\$26,638,500	\$184,826,700	\$158,188,200
Railroad	\$415,118,360	\$741,619,070	\$326,500,710
Resellers	\$4,860,830	\$4,618,290	(\$242,540)
Solar Companies*		\$48,168,300**	
Telephones	\$292,752,120	\$339,593,940	\$46,841,820
Water Companies	\$7,784,330	\$8,645,500	\$861,170
<b>Total Certified to Counties</b>	<b>\$3,703,552,410</b>	<b>\$6,079,832,470</b>	<b>\$2,328,111,760</b>

\*Solar companies were first assessed in 2016.

\*\*Value is not included in comparison.

## Assessed Value Changes by Industry

### *3 Year Comparison & 10 Year Comparison*



Industry	3 year	10 year
AL	34%	45%
BL	0%	39%
CT	24%	53%
CP	4%	6%
EC	17%	42%
GS Dist	24%	63%
GS Trans	-15%	-44%
MC	25%	44%
PC	36%	21%
PE	9%	46%
PL	-5%	86%
RR	6%	44%
XP	-30%	-5%
SO	21%	n/a
TP	13%	14%
WA	3%	10%

County	2023	2024	GAIN/LOSS	County	2023	2024	GAIN/LOSS
ARKANSAS COUNTY	43,984,132	46,577,428	2,593,296	LEE COUNTY	32,133,613	32,766,303	632,690
ASHLEY COUNTY	39,133,867	38,886,162	(247,705)	LINCOLN COUNTY	20,777,140	21,775,246	998,106
BAXTER COUNTY	49,285,574	51,900,888	2,615,314	LITTLE RIVER COUNTY	40,250,144	43,384,979	3,134,835
BENTON COUNTY	275,477,609	296,769,655	21,292,046	LOGAN COUNTY	46,583,627	53,064,783	6,481,156
BOONE COUNTY	41,792,646	46,447,638	4,654,992	LONOKE COUNTY	88,194,542	92,074,241	3,879,699
BRADLEY COUNTY	17,983,057	19,047,289	1,064,232	MADISON COUNTY	33,987,598	38,623,482	4,635,884
CALHOUN COUNTY	24,631,291	26,692,438	2,061,147	MARION COUNTY	18,542,341	20,447,106	1,904,765
CARROLL COUNTY	56,548,047	62,418,667	5,870,620	MILLER COUNTY	79,681,626	86,773,388	7,091,762
CHICOT COUNTY	35,420,200	37,929,681	2,509,481	MISSISSIPPI COUNTY	111,316,213	122,682,204	11,365,991
CLARK COUNTY	59,479,866	62,004,992	2,525,126	MONROE COUNTY	26,931,856	28,073,804	1,141,948
CLAY COUNTY	50,772,496	51,506,956	734,460	MONTGOMERY COUNTY	10,014,628	11,628,544	1,613,916
CLEBURNE COUNTY	41,289,707	44,621,529	3,331,822	NEVADA COUNTY	26,397,728	28,016,923	1,619,195
CLEVELAND COUNTY	18,040,505	18,616,166	575,661	NEWTON COUNTY	15,100,280	16,548,800	1,448,520
COLUMBIA COUNTY	48,383,344	52,177,876	3,794,532	OUACHITA COUNTY	54,033,807	56,123,998	2,090,191
CONWAY COUNTY	59,563,148	62,085,797	2,522,649	PERRY COUNTY	14,780,661	16,359,696	1,579,035
CRAIGHEAD COUNTY	110,660,815	116,629,731	5,968,916	PHILLIPS COUNTY	37,106,403	38,363,078	1,256,675
CRAWFORD COUNTY	87,469,669	96,148,746	8,679,077	PIKE COUNTY	20,108,153	23,929,983	3,821,830
CRITTENDEN COUNTY	99,151,444	116,940,956	17,789,512	POINSETT COUNTY	48,990,365	51,945,146	2,954,781
CROSS COUNTY	46,817,090	50,571,589	3,754,499	POLK COUNTY	48,345,979	55,276,703	6,930,724
DALLAS COUNTY	14,598,584	15,238,881	640,297	POPE COUNTY	545,836,178	567,920,181	22,084,003
DESHA COUNTY	55,342,206	56,943,919	1,601,713	PRAIRIE COUNTY	20,459,956	22,306,091	1,846,135
DREW COUNTY	34,068,950	35,556,266	1,487,316	PULASKI COUNTY	529,639,900	551,724,786	22,084,886
FAULKNER COUNTY	88,181,301	88,644,554	463,253	RANDOLPH COUNTY	32,184,821	33,213,585	1,028,764
FRANKLIN COUNTY	91,002,247	101,695,616	10,693,369	SALINE COUNTY	89,926,685	98,769,192	8,842,507
FULTON COUNTY	21,633,366	22,269,985	636,619	SCOTT COUNTY	13,816,022	14,268,804	452,782
GARLAND COUNTY	83,201,122	87,936,689	4,735,567	SEARCY COUNTY	13,468,845	15,952,064	2,483,219
GRANT COUNTY	22,059,037	24,273,472	2,214,435	SEBASTIAN COUNTY	178,440,494	188,365,678	9,925,184
GREENE COUNTY	45,575,944	45,998,638	422,694	SEVIER COUNTY	35,573,556	37,439,682	1,866,126
HEMPSTEAD COUNTY	203,140,000	204,398,921	1,258,921	SHARP COUNTY	21,747,814	22,292,304	544,490
HOT SPRING COUNTY	127,076,126	130,850,972	3,774,846	ST FRANCIS COUNTY	63,716,024	68,286,356	4,570,332
HOWARD COUNTY	33,047,298	36,746,077	3,698,779	STONE COUNTY	13,363,299	15,540,481	2,177,182
INDEPENDENCE COUNTY	139,282,632	142,837,796	3,555,164	UNION COUNTY	226,778,612	230,944,614	4,166,002
IZARD COUNTY	18,913,256	20,625,443	1,712,187	VAN BUREN COUNTY	37,256,716	48,227,021	10,970,305
JACKSON COUNTY	60,607,888	63,352,835	2,744,947	WASHINGTON COUNTY	276,287,971	288,938,639	12,650,668
JEFFERSON COUNTY	224,285,284	244,623,233	20,337,949	WHITE COUNTY	186,233,632	188,581,280	2,347,648
JOHNSON COUNTY	48,333,346	53,209,004	4,875,658	WOODRUFF COUNTY	57,990,037	66,568,150	8,578,113
LAFAYETTE COUNTY	24,002,434	25,172,269	1,169,835	YELL COUNTY	25,667,280	26,264,769	597,489
LAWRENCE COUNTY	56,667,860	58,021,632	1,353,772	<b>GRAND TOTAL</b>	<b>5,738,567,934</b>	<b>6,079,832,470</b>	<b>341,264,536</b>

**Total Property Tax Assessed Values in Arkansas in 2023:  
\$64,973,597,337**

