

Starting in 2009

Beginning with tax year 2009, any person or entity that is not a public utility or an interexchange telecommunications company and that leases its personal property to a public utility will be considered a "public utility lessor" and will be required to report and pay tax on its property in the same manner as the utility to which it leases its property. This treatment applies to all such leased property that would otherwise be subject to public utility property tax if it were owned and used directly by the utility **except** 1) property leased to public utility in a sale and leaseback transaction, and 2) property leased to a railroad, water transportation, telephone or telegraph company. See R.C. 5727.01(M) and 5727.06 for more information.

Further updates will follow on reporting requirements and the forms to be used by public utility lessors, as well as how to report tangible personal property leased to a telephone or interexchange telecommunications company for return years 2009 and 2010.

Additionally, R.C. 5727.031 requires a taxpayer that produces electricity for its own (nonutility) business and sells excess electricity to others to be treated as an electric company for property taxation purposes. Those taxpayers are required to report and pay the tax on a percentage of the true value of their eligible equipment based on the amount of electricity generated in the preceding year that was sold to other parties.