

## General Information

The Illinois Railroad Property Tax Return consists of sets of forms that, when compiled, make up the railroad property tax return. The railroad's class determines which forms are required to be filed.

### Class 1 railroads must file Forms:

- PTAX-501 through PTAX-513 and
- PTAX-531 through 537 (two copies).

### Classes 2, 3, and 4 railroads must file Forms:

- PTAX-501 through PTAX-513;
- PTAX-520-A through 523; and
- PTAX-531 through 537 (two copies).

The same rules that the Surface Transportation Board (STB) requires when preparing and assembling data also apply to your Illinois return. Account numbers referred to on the forms are from the Uniform System of Accounts for Railroad Companies.

If you are unable to answer a particular question, please write "none" in the space provided. If any of the schedules do not apply to your railroad, please write "not applicable" across the top of that form.

## Who must file an Illinois Railroad Property Tax Return?

Any person, company, corporation, or association owning, operating, or constructing a railroad, a suburban or interurban railroad, a switching or terminal railroad, a railroad station, or a railroad bridge in the state of Illinois must file an Illinois Railroad Property Tax Return.

The operating company may file returns for properties not owned and operated by the same company. For example, if a company operates a railroad through a subsidiary corporation that owns the property used, the operating railroad may file the return. If the operating company leases property for its exclusive use from other companies, the operating railroad also may file the return. A lessee may file the return if it has exclusive use of any portion of another carrier's property.

It is the duty of a company owning railroad property in Illinois either to file the return with the department or to see to it that the operating or using company does so. The failure of any using company to file a return does not excuse an owner from penalties when that omitted property is assessed.

## When must I file?

You should file all of the forms that comprise the Illinois Railroad Property Tax Return **on or before June 1**, unless we grant you an extension of time to file. If you fail to file any of the required forms by this date, we may assess an additional amount equal to 50 percent of your assessment.

## Where should I file?

Mail your return to:

ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19033  
SPRINGFIELD IL 62794-9033

## What must I attach to my return?

You must attach one copy of

- Your most recently filed annual report to the STB, if you were required to file one.
- Your most recent annual report to stockholders for each railroad included in this return.
- Any subsidiaries' most recent annual report to stockholders, if applicable.
- Any leased lines' most recent annual report to stockholders, if applicable.
- The most recent annual report of the parent corporation, if stock is owned by another company.
- Your most recently filed SEC Form 10-K Report, if you were required to file one.
- The latest freight traffic density map (Class 1 only).

## Specific Instructions

### PTAX-501 — Illinois Railroad Property Tax Return

#### Part 1: Complete the following information

**Lines 1 through 3** — Write the railroad's name, the principal office address, and the Illinois office address.

**Lines 4 and 5** — Write the year of incorporation and the state of incorporation.

**Line 6** — Write your federal employer identification number (FEIN).

**Line 7** — Write your Illinois business tax number (IBT), if you have one.

**Lines 8 through 11** — Write the agent's name, address, if different than the company's address, the agent's phone number, and the agent's email address.

**Lines 12 and 13** — Write the tax attorney's name and address, if applicable.

#### Part 2: Complete the following affidavit

An officer of the company must sign the affidavit. An authorized agent may sign the affidavit if you attach an officer's authorization. We will not accept any of the forms (PTAX-501 through 513, PTAX-520-A through 523, and PTAX-531 through 537) unless the affidavit is completed and signed.

### PTAX-502 — Itemized Expense & Income Accounts

#### Part 1: Class 1 railroads — complete the following information

Follow the instructions on the form.

#### Part 2: Classes 2, 3, and 4 railroads — complete the following information

Follow the instructions on the form.

#### Part 3: Classes 1, 2, 3, and 4 railroads — Complete the following information

Write the names of all companies controlling the railroad, beginning with the company having greatest control. You must also write the principal business activity, form of control exercised, and the extent of control of each company.

### PTAX-503 — Comparative Statement of Financial Position Assets, Liabilities, and Shareholders' Equity

**Only Classes 2, 3, and 4 railroads should complete and file this form.**

#### Parts 1 and 2:

Follow the instructions on the form.

### PTAX-504 — Market Value of Stock and Debt

#### Part 1: Write the common stock information

Write the name of the common stock. **Do not** include preferred stock. Write the number of any outstanding shares as of December 31 of the tax year.

Write the average daily share price during the tax year. If an average daily share price is not available, write the average monthly share price. The average daily share price is defined as the average daily high and low quotations during the tax year. If you used an estimate to derive a market value, please give a detailed explanation of the source and estimate.

#### Part 2: Write the debt information

Write the names of any debt issues, including detailed information about each item on the balance sheet, showing all securities of any one class, *e.g.*, bonds, equipment trust certificates, leases, agreements, and amounts payable to affiliated companies.

Write the dollar amount of the original obligation. If any bond issue was outstanding only part of the year, please indicate this in a footnote. Write the average daily or monthly price during the year. This is defined as the average daily or monthly, high and low quotation during the year. If you used an estimate to derive a value, please give a detailed explanation so that we can verify the computations.

### PTAX-505 — Short Term Indebtedness

#### Part 1: Write the Surface Transportation Board (STB) information

Write the average amount of indebtedness (to the nearest thousand dollars) from the STB accounts listed on this schedule. The amounts must reflect the average of quarterly balance sheets in order to eliminate seasonal influence. Write any adjustment to an amount as a deduction in Part 2.

#### Part 2: Write your specific deductions

Write any adjustment to an amount you wrote in Part 1. Make sure that the account number of each deduction corresponds to the account number listed in Part 1.

## PTAX-506 — Non-operating Intangible Property

### Part 1: Complete the following information

**Column A** — Write the name of the stock and debt by company.

**Column B** — Write the type of security and relation to the carrier using the following codes:

Stock .....	A	Affiliated carrier .....	1
Bonds .....	B	Affiliated noncarrier .....	2
Notes .....	C	Nonaffiliated carrier .....	3
Advances.....	D	Nonaffiliated noncarrier .....	4
U.S. securities .....	E		
Miscellaneous investments..	F		

**Columns C through F** — Follow the instructions on the form.

**Column G** — Write the security's market value. If the security's market value is not based on the book value shown in Column E, or the average of the monthly market quotation shown in Column F, you must attach an explanation that details the market value estimates.

**Column H** — Report U.S. government securities as the average of the quarterly holdings during the assessment year.

## PTAX-507 — Non-operating Tangible Property

All property classified as noncarrier by the STB and listed in Account 737 is considered nonoperating in character. Do not include the tangible assets of companies whose securities you listed on Form PTAX-506.

You must provide the character or description of nonoperating property outside of Account 737 in order to be considered as nonoperating. Improvements owned by a lessee cannot be claimed by your company as nonoperating property.

### Part 1: Complete the following information

#### Columns A through E:

Follow the instructions on the form.

**Column F** — Divide Column D by Column E.

**Column G** — You must write any income in the preceding year on an itemized or aggregate basis.

## PTAX-508 — Non-capitalized Equipment Leases

### Only

Write all of the equipment leased to and from other companies, that are under the terms of a rental agreement which provides for the assessment and taxation of that equipment to the users. Write only non-capitalized leases.

### Part 1: Complete the following information

**Columns A through D** — Write the name of the lessor, the tax liability of the lessor or lessee, the life of the lease, and the effective date of the lease.

**Columns E through L** — Write the class of equipment, using STB classifications, the number of units, the STB depreciation allowed by classification\*, the original cost, the accumulated depreciation, the original cost less depreciation, the annual depreciation expense (STB depreciation), and the annual rental payments by STB classification only.

Write all of the equipment you leased to others last, with an aggregate total for each, followed by a net total.

\* You may substitute accelerated depreciation for STB straight line depreciation. You must report this depreciation consistently in subsequent years.

## PTAX-509 — Theoretical Net Unmatured Debt of Leased Equipment

This form is used to calculate the net unmatured debt of leased equipment, assuming the equipment is purchased with a 20 percent down payment and the balance is payable over a period of 15 years (5 years for computer equipment). We use this information when performing the stock and debt approach.

### Parts 1, 2, and 3:

Follow the instructions on the form.

## PTAX-510 — Book Value of Transportation Properties

### Part 1: Write the total transportation properties

Write the total transportation properties and reserve for depreciation. Write the equipment owned and leased under original cost. The percentage of rolling stock for Illinois is based on car and locomotive miles. The percentage of all other equipment for Illinois is based on the composite original cost percentage calculated for all other transportation properties including rolling stock.

### Part 2: Write the investment in public improvements

Follow the instructions on the form.

No credit for investment in public improvements is given unless this Form PTAX-510 is completed.

## PTAX-511 — Obsolescence Computation Data

Only Class 1 railroads should complete and file this form.

### Parts 1, 2, and 3:

Follow the instructions on the form.

**Note:** If you do not complete the Form PTAX-511, be sure to write "not applicable" across the top of the form. Otherwise, we will not apply obsolescence in the cost approach that we perform.

## PTAX-512 — Obsolescence Computation Data

Only Classes 2, 3, and 4 railroads should complete and file this form.

### Parts 1 and 2:

Follow the instructions on the form.

**Note:** If you do not complete the Form PTAX-512, be sure to write "not applicable" across the top of the form. Otherwise, we will not apply obsolescence in the cost approach that we perform.

## PTAX-513 — Allocation Factors

### Part 1: Write the quantities during the year

Write the actual amount of each item requested for each column.

**Columns B through F** — Determine the amounts to write by using a method of estimation. You must indicate the exact method you used to determine these amounts by attaching a detailed explanation.

You must determine how traffic movements are treated in order to determine what proportion to assign to each state. For Illinois, group all movements coming into, going out of, or within Illinois, so that you can easily determine the exact mileage made in Illinois.

**Column B: Passenger miles** - Determine the total number of passenger tickets sold for transportation between all combinations of two stations on your line. Multiply this by the road miles in each state that intervenes between those stations.

**Column C: Ton miles** - Determine the total of all revenue tons (including freight carried in the equipment of other carriers) you moved between all combinations of two stations on your line. Multiply this by the road miles in each state that intervenes between those stations.

**Column D: Locomotive miles** - Determine the total number of locomotives you owned, leased, or used by the respondent which moved on each trip between all combinations of two stations on your line. Multiply this by the road miles in each state that intervenes between those stations.

**Column E: Car miles** - Determine the total number of all cars on each movement you hauled between all combinations of two stations on your line. Multiply this by the road miles in each state that intervenes between those stations.

**Column F: Railway operating revenues** - Determine the railway operating revenues by assigning to Illinois the amount of revenue you derived from each individual shipment. You must also show that the method you use produces an accurate representation of the proportion of business done in Illinois.

**Column G: Original cost depreciated** - These amounts correspond with the system and Illinois totals you wrote on Form PTAX-510.

**Column H: Tons online originated and terminated units** - Write the total number of tons online, both originated and terminated units.

### Part 2: Write the quantities as percentages

Write the percentages for the amounts you wrote in Part 1. Carry all percentages to two decimal places.

**Column B** — Write the percentage of all track mileage except trackage rights.

**Column C** — Write only the mileage of trackage rights for which you have exclusive rights to operate.

**Column D** — Add Columns B and C.

**Column E** — To determine the average, add Column B, Line 1 and Column C, Line 1. Divide this amount by the total of Column B, Line 3 and Column C, Line 3.

**Column F** — Write the percentages from Part 1, Columns D and E.

**Column G** — Write the percentages from Part 1, Column D.

**Column H** — Write the percentages from Part 1, Column E.

**Column I** — Write the percentages from Part 1, Column F.

**Column J** — This percentage must match the system and Illinois totals written on Form PTAX-510, Column 3, Line 8.

**Column K** — Write the percentages from Part 1, Column H.

### Part 3: Complete the worksheet for equipment allocation to Illinois for Form PTAX-510.

Follow the instructions on the form.