



# Tax Year 2016 Railroad Car Company Annual Reporting Form

MONTANA  
RCC-1  
Rev. 12-15

For Year Ending December 31, 2015

PO Box 7149  
Helena, MT 59604-7149

## Company Information

Full Name of Company \_\_\_\_\_

Company Description \_\_\_\_\_

FEIN/SSN: \_\_\_\_\_ NAICS Code: \_\_\_\_\_

Principal Office Address \_\_\_\_\_

Street

Street 2

Unit Type      Unit      City

State      Zip Code      Country

## Contact Information

*Contact Person or Agent for this Report to whom all correspondence will be sent.*

Name \_\_\_\_\_

Company or Agency \_\_\_\_\_

Mailing Address \_\_\_\_\_

Street

Street 2

Unit Type      Unit      City

State      Zip Code      Country

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail Address \_\_\_\_\_

## Declaration

I, the undersigned, declare under penalties of false swearing that I have examined this reporting form, that I am authorized to sign the form on behalf of the company, and that the information contained herein is, to the best of my knowledge and belief, true, correct, and complete.

<i>Department of Revenue Use Only</i>	
Date Received	
Postmarked Date	
Remarks	

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name (please print) \_\_\_\_\_

Title \_\_\_\_\_



## Tax Year 2016 Fleet Data All Cars Owned, Used, or Leased

MONTANA  
RCC-2  
Rev. 12-15

For Year Ending December 31, 2015

\_\_\_\_\_  
*Company Name*

Montana Reporting Code	Car Mark	Year Acquired	Number of Cars	Acquired Cost	Betterments Costs	Total Cost E+F
A	B	C	D	E	F	G
*** <u>Do Not</u> use Lease Payment information. Contact your Lessor for Year Acquired, Acquired Cost, and Betterment information. ***						



# STATE OF MONTANA ANNUAL REPORT

## Private Car Company Instructions

Montana Department of Revenue is required to annually value the operating property of each private railcar company for property tax purposes. All railroad car companies owning, leasing or using railroad cars and/or locomotives that operate over railroad tracks in Montana are subject to central assessment and are required to complete and file an annual report with the Montana Department of Revenue under Montana law (MCA 15-23-212).

### Who must file?

Interstate and intrastate private railcar companies who conducted operations or whose property was located at any time in Montana during the prior year must file. Private railcar presence in Montana is exhibited by mileage logged on rail line routes within Montana. Each year the railroads are required to submit to the Department of Revenue an annual report listing each company, corresponding car marks, and mileage logged on the tracks by each car company. Annual reports are required for each railcar company reported to the Department.

### **Reductions for Inactivity Idle Cars or 'non-operating assets'**

Requests for reductions in assessed value for inactivity, idle cars, and/or 'non-operating assets' will be declined. The equations used by Montana to assess railroad car companies are dictated by Administrative Rules, and were developed using a negotiated rule-making process with the railroad car industry. The rules and equations do not contain an idle car provision.

Montana's appraisal of railroad cars is based upon unitary valuation. In the case of railroad cars, the "Unit" is the company's railroad car fleet. Taxes are apportioned based upon the total number of actual miles traveled by the fleet in Montana, a methodology which directly reflects the activity or

### How and what do I file?

1. All reports must be filed using the current version; previous versions will no longer be accepted. Reports filed using outdated forms will be returned, and will not be deemed timely if not received by the due date.
2. Complete in full the annual report to the best of your knowledge for the year ending.
3. Type or use black or blue ink to complete the report.
4. Round all amounts to the nearest dollar.
5. Explain any unusual or special entries, adjustments, or discrepancies in your financial data and records. Computer forms may modify or replace pages in the annual report **if** they are in the same format and include the same information as requested by the report. On the computer form, indicate the annual report page(s) being replaced. Firmly attach all added pages.
6. Explain the use of your property and any unique terms, definitions, or costs.

### **If I have questions, who should I call?**

**Tanner Lambert**

**Phone:** (406) 444-6987

**Email:** TannerLambert@mt.gov

**Fax:** (406) 444-6642

### **\* What happens if I file late or fail to file?**

If any person fails to file a report within the time established in MCA 15-23-103 or by such later date as the Department may approve, the Department shall estimate the value of the property to have been reported on the basis of the best available information, as prescribed in 15-1-303, MCA. Each month or part of a month the report is delinquent, the Department shall impose and collect a \$25 penalty, the total not to exceed \$200, and shall deposit such penalty to the credit of the general fund. The Department will also inform its agents in the counties of the delinquency, and the agents shall assess a penalty of 1% of the tax due for each month or part of a month the report is delinquent.

### **\* When and where do I file?**

All reports must be postmarked **on or before April 15th** of the reporting year and sent to:

Montana Department of Revenue  
Attn: BITD-BTV-Centrally Assessed Unit  
PO Box 7149  
Helena, MT 59604-7149

### **\* Overnight mail address is:**

Montana Department of Revenue  
Attn: BIT-BTV-Centrally Assessed Unit  
125 North Roberts Street  
Helena, MT 59602

### **Can I email my report?      Yes**

Electronic submissions are preferred. **You may email your report to [DORRailcar@mt.gov](mailto:DORRailcar@mt.gov)**. If the file size exceeds 5 MB and prevents emailing, please contact us for alternative submission procedures. If you file electronically, you do not need to file a paper copy.

The electronic reporting forms are available on the official Montana website. Go to the Department of Revenue website at [www.revenue.mt.gov](http://www.revenue.mt.gov). In the section labeled '**Businesses**' click on the link for Centrally Assessed and Industrial Property to find the Railroad Car Reporting Forms.

Excel files are preferred over Adobe Acrobat. Electronically filed reports are considered valid without a signature in the signature block.

## RCC-2 Instructions

For reporting purposes, you only need to report those cars for which your company is responsible for paying taxes. If full fleet data is reported which includes cars being used by, or leased to, other entities where those users / lessees are responsible for paying taxes, please be sure to clearly identify those cars on the RCC-2, to avoid confusion and double taxation issues.

If your report includes cars your company has leased from someone else, Do Not use lease payment information on the RCC-2. **The RCC-2 *must* show the Reporting Code, Year Acquired, Acquisition Cost, and any Betterment Costs.** This information is obtainable from the Lessor. Lease payments include ancillary administrative costs and fees that are not subject to taxation under Montana statute, and therefore cannot be used for the purposes of valuation. Reports submitted using lease payment information in place of the required data will not be accepted, nor will they be considered timely if the required information is not reported prior to the April 15 deadline for Annual Reports.

**Reporting Code** In 2013, the department upgraded its computer system for railcar reporting the Reporting Code column is required for complete reports. The Reporting Codes as can be found in the following table: Railroad Car Reporting Codes for Montana. RCC-2 & RCC-3", included in this report.

Railroad Car Reporting Codes for Montana			
Reporting Code <i>For use on RCC-2 &amp; RCC-3</i>	Description	Montana Default Allocation Rate	AAR Car Type Code As Shown on Railroad Mileage Reports **
A	Equipped box cars	450	Axxx
B	Unequipped box cars	450	Bxxx
C	Covered hopper cars	250	Cxxx
E	Equipped gondola	450	Exxx
F	Flat cars (general)	450	Fxxx
G	Unequipped gondola	450	Gxxx
H	Unequipped Hopper	250	Hxxx
J	Gondola car	450	Jxxx
K	Equipped hopper cars	250	Kxxx
L	Special type cars	250	Lxxx
D	Locomotive	250	Dxxx
M	M-O-W, Scale, Passenger, Caboose, and End-of-train	250	Mxxx
N	Caboose	250	Nxxx
P	Conventional intermodal cars (flat)	450	Pxxx
PA	Passenger Car	250	Paxx
PB	Passenger Car, baggage	250	PBxx
PD	Passenger Car, dining	250	PDxx
PS	Passenger Car, service	250	PSxx
Q	Lighter weight, Low-profile intermodal cars	450	Qxxx
R	Refrigerator cars	250	Rxxx
S	Stack / well cars (flat)	450	Sxxx
STK	Stock Cars	250	STKx
T	Tank Cars, pressurized	250	T3xx, T4xx, T5xx, T6xx, T7xx, T83x-T89x, T9xx
T	Tank Cars, non-pressurized	250	T0xx, T1xx, T80xx, T81xx
UNSPEC250	Cars not elsewhere classified (Non-Intermodal)	250	
UNSPEC450	Cars not elsewhere classified (Intermodal)	450	
V	Vehicular flat cars	450	Vxxx
X	Boxcars	450	Xxxx
U	Containers	250	Uxxx
Z	Trailers	250	Zxxx

\*\* An 'x' in this field represents a numeral 0

## RCC-2 Instructions (continued)

The Specific Reporting Code is required. General Descriptions ("Hopper", "Gondola", "Flat", "Fast Rate Cars", "Slow Rate Cars", etc.) Will No Longer be Sufficient.

You will find the Montana reporting codes closely relate to the AAR Car Type Codes used to report to the railroads. The department's system uses the Reporting Codes to correctly compute allocation percentages for specific car types. Annual reports submitted without the Reporting Codes will be considered incomplete and will not be accepted as timely

**Car Mark:** Please list the company car marks associated with each Reporting Code. Car Marks and Reporting Codes in the report will be used to validate reported mileage against the reports from the railroads.

**Year Acquired:** The year the cars were purchased by the reporting company. For Cars acquired within 25 years of the year of the annual report, list each acquisition year on a separate line. For Cars acquired more than 25 years prior to the year of the report may be grouped into a single line entry within each Reporting Code.

The department uses the Year Acquired to compute depreciation. Using the Total Cost (Column G on the RCC-2), the department computes depreciation at 4% per year using a half-year convention, down to a minimum depreciated value of \$2,000 per car. Important: Do not compute or report depreciated or 'book values' on the RCC-2; report the original cost. The department's system will compute the depreciation which will be reflected upon the assessment sent out on or before August 15.

**Number of cars:** Total number of cars for that Reporting Code and year they were acquired.

**Acquired cost and Betterments Costs:** List the original acquired cost and the costs for all betterments for the cars. Do not use depreciated costs or book value, as the Department computes depreciation as part of the valuation process. The Betterment Cost cannot be a negative value. Do not deduct AAR mandated repairs or upgrades from the betterment costs. AAR-required maintenance or upgrades (such as those required for hauling Hazmat) do not increase or decrease the value of the car; they are company operational costs and should be reflected on the company's corporate tax return.

For cost figures in Canadian Dollars: Prior to entering the cost data into our system, the department will convert all costs reported in Canadian Dollars to U.S Dollars using historical exchange rates as of December 31 of the year in question (or the latest exchange rate report date closest to December 31). For example, for cars acquired in 1997, the conversion will be based upon the latest historical exchange rate on (or as close as possible to, but not later than) December 31, 1997.

**Total Cost:** The sum of the Acquired Costs and Betterment Costs for that line entry.

**Fleet/Page Totals:** The sum of all values for that column. If more than one sheet is used, page totals can be used, or left blank in favor of a final fleet total on the last page.

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## RCC-2 Instructions (continued)

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**Number of cars:** Total number of cars for that Reporting Code and year they were acquired.

**Acquired cost and Betterments Costs:** List the original acquired cost and the costs for all betterments for the cars. Do not use depreciated costs or book value, as the Department computes depreciation as part of the valuation process. The Betterment Cost cannot be a negative value. Do not deduct AAR mandated repairs or upgrades from the betterment costs. AAR-required maintenance or upgrades (such as those required for hauling Hazmat) do not increase or decrease the value of the car; they are company operational costs and should be reflected on the company's corporate tax return.

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**Fleet/Page Totals:** The sum of all values for that column. If more than one sheet is used, page totals can be used, or left blank in favor of a final fleet total on the last page.

Here is an example of a completed RCC-2.

### Example RCC-2

Montana Reporting Code	Car Mark	Year Acquired	Number of Cars	Acquired Cost	Betterment Costs	Total Cost E+F
A	B	C	D	E	F	G
F	AAAX	2004	144	\$12,240,000	\$16,887	\$12,256,887
P	AAAX	2004	58	\$3,625,000	\$0	\$3,625,000
C	AABX	2004	84	\$3,150,000	\$28,650	\$3,178,650
P	AACX, AABX	2003	148	\$4,092,200	\$85,500	\$4,177,700
H	AABX	2010	26	\$936,000	\$0	\$936,000
P	AACX, AABX	2011	310	\$8,835,000	\$25,000	\$8,860,000
T	AACX	2009	150	\$2,250,000	\$0	\$2,250,000
						\$0
<b>Fleet/Page Total</b>			920	\$35,128,200	\$156,037	\$35,284,237

The cars can be reported in any order, or can be grouped by Reporting Code (and then by Year Acquired), or by Year Acquired (and then by Reporting Code). When complete, the RCC-2 should represent an inventory listing of the company's fleet as of December 31 of the year immediately preceding the Report Year. For example, for a 2013 Annual Report, the RCC-2 will reflect the company's fleet as of December 31, 2012.

**Important:** Even if they share the same default allocation rates, grouping of multiple types of cars within an Acquired Year will no longer be accepted. Cars must be broken out and reported by Reporting Code for input into the department's system.

## RCC-3 Instructions

Use this form to report all miles traveled, both System-wide and in Montana, and to report by all cars bearing the rail marks included in the annual report (and listed on the RCC-2). Like on the RCC-2, mileages will need to be reported by Reporting Codes. If mileage is reported on the RCC-3 for a given Reporting Code, there must be a corresponding Reporting Code reported on the RCC-2.

Additionally, use the Railroad Code list to identify the Railroad. When possible group reported mileages for a specific Railroad together as shown in the example below, because this simplifies the reconciliation process between the annual report and the reports the department receives from the railroads.

***Important:** Mileage reports from the railroads are available to the company upon request. It is the company's responsibility to secure this information from the railroads prior to filling out the Montana Annual Report. The department will verify mileages reported on the RCC-3, but is not equipped or staffed to be a resource to provide railroad mileage information to companies.*

Railroad Code List	
Railroad Code	Full Name
BNSF	Burlington Northern Santa Fe
CMRR	Central Montana Rail
DMVWRR	DMVWRR (Soo/Canadian)
GLOBAL	Global Rail
MMRR	Mission Mountain Railroad
MRL	Montana Rail Link
OTHERRR	All Other RRs Mileage
RARUS	RARUS Railway
TRR	Tongue River Railroad
UPRR	Union Pacific
MWRR	Montana Western RR
YVRR	Yellowstone Valley Railroad

### RCC-3 Example

Railroad Code	Car Reporting Code	Miles in Montana
BNSF	A	1,689
BNSF	F	85,963
BNSF	C	1,185,694
BNSF	T	2,857,421
BNSF	G	658,412
BNSF	B	56,824
BNSF	J	29,635
UPRR	A	17,985
UPRR	F	2,167
UPRR	G	69,983
MRL	C	223,186
MRL	T	529,873
MRL	F	32,696
RARUS	C	2,365
RARUS	T	1,666
<b>Total MONTANA Miles</b>		<b>5,755,559</b>
<i>Total System Miles (All Railroads, All States)</i>		<i>69,543,491</i>

(Bold lines used to show detail)