

INSTRUCTIONS

INTANGIBLE PROPERTY TAX RETURN

(Revenue Form 62A376)

Definitions and General Instructions

Mail the Intangible Property Tax Return, Form 62A376, to the property valuation administrator (PVA) in the county of taxable situs or to the Office of Property Valuation in Frankfort.

Taxpayer—All intangible personal property of individuals residing in this state and corporations organized under the laws of this state, unless it has acquired a business situs without this state must be reported for taxation. Likewise, all nonresidents and corporations not organized under the laws of this state that have acquired a business situs within this state must also file the intangible personal property tax return.

Assessment Date—The assessment date for all intangible personal property is January 1.

Filing Requirements—To properly report, note the following:

- File the return between January 1 and May 15.
 - **If May 15 falls on a weekend, the return is due the first business day following May 15.**
- Provide all identification information required at the top of the form.
- File the return with the PVA in the county of taxable situs or with the Division of State Valuation. A listing of PVA office locations and telephone numbers is included in the instructions.
- Individuals who have filed for a federal extension must file on or before the extended due date and attach a copy of the extension to the return. These returns must be forwarded to the Division of State Valuation, Personal Property Branch, Frankfort, Kentucky 40620. Returns filed after the due date will not receive the discount.
- Entities other than individuals may not extend the due date past May 15.
- **Do not enclose the intangible return with the income tax return.**

Payment of Taxes—Do not send payments with your return. The sheriff in each county mails the tax bills no earlier than September 15. Returns filed after the due date are billed by the Division of State Valuation.

Classification of Property

Intangible property consists of any property or investment which represents evidence of value or the right to value under law and custom.

Some types of intangible property to be listed for ad valorem (property) tax purposes include, but are not limited to, the following:

Bonds	Money in Hand
Notes	Money in Safe Deposit Boxes
Retail Repurchase Agreements	Annuities
Accounts Receivable	Interests in Estates
Trusts	Loans to Stockholders
Enforceable Contracts Sale of Real Estate (Land Contracts)	Commercial Paper
	Nonbanking Deposits

General Information

The following information provides a section-by-section breakdown of instructions for completion of the intangible property tax return. **All property is valued as of January 1** of the year in which the return is filed. For valuation information or any assistance in filling out this return, contact the PVA in your county.

SECTION 3: BONDS

Bonds issued by *all* corporations, churches and out-of-state municipals are taxable. Indirect obligations of the U.S. government such as Government National Mortgage Association (GNMA) bonds, Federal National Mortgage Association (FNMA) bonds, and Federal Home Loan Mortgage Association (FHLMC) bonds are taxable and should be reported. Direct obligations of the U.S. government, such as U.S. Treasury notes, U.S. Treasury bills, etc., and obligations of the Commonwealth of Kentucky, such as state bonds, municipal and school bonds are exempt. **Do not list mutual bond funds on this return.**

Column (A), Interest Rate, should be shown to identify which bond is in question; column (B), Maturity Date, identifies the bond; column (C), Face Value, is the full value denomination of the bond when held to maturity, such as \$100, \$500, \$1,000; column (D), Number Owned, should always be shown; column (E), Value of Each, is the listed value of the bond as of the assessment date.

Example: Bonds are usually quoted by \$100 quotes. Thus, if a taxpayer has five \$1,000 face value bonds that are quoted at \$85, the \$85 quote means the bond is worth, or buyers are willing to pay, \$85 for each \$100 in a \$1,000 bond. Therefore, a \$1,000 bond is valued at $10 \times \$85$ or \$850. Five such bonds are valued by multiplying $5 \times \$850 = \$4,250$.

Bonds are often listed as debentures. Unquoted bonds should be listed at face value.

Multiply column (D) times column (E) for a value per bond type.

SECTION 4: LOANS, NOTES AND MORTGAGES RECEIVABLE AND LAND CONTRACTS

The “type” of note column must be completed for proper valuation. Secured notes, loans or mortgages are valued at 100 percent of the balance due, while unsecured notes or loans are valued at 85 percent. Original Face Value (column A) and Credits to Date (column B) should be indicated for all notes or loans.

Secured mortgages are valued at 100 percent of balance due, while second mortgages and land contracts are valued at 85 percent of face value. Noninterest bearing or family notes, loans, etc., must be listed in this section.

SECTION 5: TRUSTS

Enter the type of trust, the federal identification number and name of the trust. Record the sum of the taxable value of the trust as of January 1. If the trust contains bonds or any securities other than cash, these **must be itemized** by the trust and attached to the original return. Do not include stocks or money market funds held in a trust account.

SECTION 6: CASH AND DEPOSITS

Money in hand, petty cash and money in lock boxes must be listed based on the amount held as of January 1. Do not list cash on deposit in Kentucky banks, out-of-state banks, Kentucky savings and loans or credit unions.

Deposits in Kentucky banks are reported and paid by the institution on behalf of the depositor.

Report money on deposit with nonbanking institutions. “Nonbanking institutions” include brokerage firms, out-of-state savings and loans and out-of-state savings banks, etc. Some out-of-state savings and loans and out-of-state savings banks are required to report and pay tax on deposits of

Kentucky citizens. Check with the institution to determine if they have been paying tax on your deposits. If so, you need not report these deposits on this form.

Life insurance proceeds subject to withdrawal are valued at face value. This represents money actually owned by a taxpayer that is on deposit with an insurance company. Cash surrender value of life insurance policies should not be included.

A future lump sum is a single payment to a beneficiary covering the entire amount of an agreement. A formula is used to determine the present worth of future benefits. The due date of the payment and face value must be listed. Contact the Division of State Valuation for assistance in valuing these types of deposits.

A retail purchase agreement is an obligation to repurchase a loan on a specified date paying the lender a predetermined rate of interest. A retail repurchase agreement is valued at 100 percent of face value as a secured obligation.

SECTION 7: OTHER RECEIVABLES

Accounts receivable of every Kentucky taxpayer (corporate or individual) are taxable, including receivables of cash basis taxpayers. Report the face value of the accounts receivable as of January 1. Unsecured accounts receivable are assessed at 85 percent of face value.

Intercompany receivables (other than those qualifying to be listed in Section 8, Line 2 below), loans to stockholders, and loans to employees must be reported at the face value as of January 1. Unsecured balances are assessed at 85 percent of the face value.

Secured installment accounts are taxable and assessed at 100 percent of the January 1 balance. Unsecured installment accounts are assessed at 85 percent.

Interest, rents and dividends due, but unpaid as of January 1, must be reported at 100 percent. Unsecured balances are assessed at 85 percent. Report all past due rent and other rents receivable.

SECTION 8: INTANGIBLES SUBJECT TO 1½ CENT STATE TAX RATE

The 1½ cent per \$100 tax rate applies to accounts receivable and “any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state” (KRS 132.020).

The 1½ cent rate applies to intercompany accounts, such as notes, bonds and accounts receivable. Intercompany accounts in this context include only those accounts between a parent and subsidiary. **All other related party receivables must be reported in Section 7, Line 2. These must be reported at full face value.**

Section 8, Lines (1) and (2) apply only to businesses and do **not** apply to individuals.

Rights, royalties, patents, copyrights and tobacco base allotments are reported in Section 8, Line 3. The value of rights, royalties and patents is based on annual income capitalized at current market interest for the life expectancy of the income stream.

To value tobacco base allotments, the poundage should be listed and the PVA (or Office of Property Valuation) can be contacted for the value per pound.

SECTION 9: RIGHTS TO RECEIVE INCOME, ANNUITIES, RETIREMENT PLANS, NON-KENTUCKY IRREVOCABLE TRUSTS OR INTANGIBLE PROPERTY OF BANKS

Life and term annuities and qualified retirement plans are taxable. Kentucky beneficiaries receiving income from out-of-state irrevocable trusts must report the value of the income received.

Taxable intangible property such as bonds held in IRA accounts must be reported in Section 9, Line 3. Do not report stocks, stock options or stock warrants, or mutual funds held in IRA accounts.

Section 9, Line 4 is used strictly for the financial institutions (banks) to list intangible property they own. The total of all taxable intangible property the bank owns should be reported here. Banks should list the total of all money in hand, notes, bonds, accounts, other credits and all other intangible assets. Intangible property owned by banks *must not* be reported elsewhere on this return.

Bank deposits are reported on Revenue Form 62A850, Bank Deposits Tax Return.

Those institutions taxed under KRS 136.290 through KRS 136.310 (savings and loan associations, savings banks and similar institutions) should not report information on Form 62A376, Intangible Property Tax Return. These institutions should file Form 62A600 or Form 62A601.

Kentucky Department of Revenue Mission Statement

The mission of the Kentucky Department of Revenue is to . . .

Provide courteous, accurate and efficient services for the benefit of the Commonwealth and administer Kentucky tax laws in a fair and impartial manner.

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The Kentucky Department of Revenue does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

COUNTY PVA TELEPHONE NUMBERS AND ADDRESSES

County	Phone Number	Address	City	ZIP Code
Adair	(270) 384-3673	424 Public Square, Suite 2	Columbia	42728
Allen	(270) 237-3711	P.O. Box 397	Scottsville	42164
Anderson	(502) 839-4061	101 Ollie Bowen Court	Lawrenceburg	40342
Ballard	(270) 335-3400	P.O. Box 267	Wickliffe	42087
Barren	(270) 651-2026	117-2B North Public Square	Glasgow	42141
Bath	(606) 674-6382	P.O. Box 688	Owingsville	40360
Bell	(606) 337-2720	P.O. Box 255	Pineville	40977
Boone	(859) 334-2181	P.O. Box 388	Burlington	41005
Bourbon	(859) 987-2152	Courthouse, Room 15, 301 Main Street	Paris	40361
Boyd	(606) 739-5173	P.O. Box 434	Catlettsburg	41129
Boyle	(859) 238-1104	Courthouse, 321 West Main Street	Danville	40422
Bracken	(606) 735-2228	P.O. Box 310	Brooksville	41004
Breathitt	(606) 666-7973	1137 Main Street	Jackson	41339
Breckinridge	(270) 756-5154	P.O. Box 516	Hardinsburg	40143
Bullitt	(502) 543-7480	P.O. Box 681	Shepherdsville	40165
Butler	(270) 526-3455	P.O. Box 538	Morgantown	42261
Caldwell	(270) 365-7227	Courthouse, Room 8, 100 E. Market Street	Princeton	42445
Calloway	(270) 753-3482	101 North Fifth Street, P.O. Box 547	Murray	42071
Campbell	(859) 292-3871	Courthouse, 330 York Street	Newport	41071
Carlisle	(270) 628-5498	P.O. Box 206	Bardwell	42023
Carroll	(502) 732-5448	Courthouse, 440 Main Street	Carrollton	41008
Carter	(606) 474-5663	Courthouse, Room 214	Grayson	41143
Casey	(606) 787-7621	P.O. Box 38	Liberty	42539
Christian	(270) 887-4115	P.O. Box 96	Hopkinsville	42241
Clark	(859) 745-0250	Courthouse, 34 South Main Street	Winchester	40391
Clay	(606) 598-3832	122 Town Square	Manchester	40962
Clinton	(606) 387-5938	P.O. Box 186	Albany	42602
Crittenden	(270) 965-4598	Courthouse, 107 South Main Street	Marion	42064
Cumberland	(270) 864-5161	P.O. Box 431	Burkesville	42717
Daviess	(270) 685-8474	Courthouse, Room 102, 212 St. Ann Street	Owensboro	42303
Edmonson	(270) 597-2381	P.O. Box 37	Brownsville	42210-0037
Elliott	(606) 738-5090	P.O. Box 690	Sandy Hook	41171
Estill	(606) 723-4569	Courthouse, Room 104, 130 Main Street	Irvine	40336
Fayette	(859) 246-2722	166 North Martin Luther King Blvd.	Lexington	40507
Fleming	(606) 845-1401	P.O. Box 94	Flemingsburg	41041
Floyd	(606) 886-9622	149 South Central Avenue, Room 5	Prestonsburg	41653
Franklin	(502) 875-8780	Courthouse Annex, 313 West Main Street	Frankfort	40601
Fulton	(270) 236-2548	201 Moulton Street, Johnson Annex	Hickman	42050
Gallatin	(859) 567-5621	P.O. Box 883	Warsaw	41095
Garrard	(859) 792-3291	Courthouse, 15 Public Square	Lancaster	40444
Grant	(859) 824-6511	Courthouse, 101 North Main Street, Room 2	Williamstown	41097
Graves	(270) 247-3301	101 E South Street, Courthouse Annex, Suite 5	Mayfield	42066
Grayson	(270) 259-4838	Courthouse, 10 Public Square	Leitchfield	42754
Green	(270) 932-7518	103 South First Street	Greensburg	42743
Greenup	(606) 473-9984	Courthouse, Room 209, Main Street	Greenup	41144
Hancock	(270) 927-6846	P.O. Box 523	Hawesville	42348
Hardin	(270) 765-2129	P.O. Box 70	Elizabethtown	42702
Harlan	(606) 573-1990	P.O. Box 209	Harlan	40831
Harrison	(859) 234-7133	P.O. Box 53	Cynthiana	41031
Hart	(270) 524-2321	P.O. Box 566	Munfordville	42765
Henderson	(270) 827-6024	P.O. Box 2003	Henderson	42419-2003
Henry	(502) 845-5740	P.O. Box 11, 23 South Property Road	New Castle	40050
Hickman	(270) 653-5521	Courthouse, 110 East Clay Street	Clinton	42031
Hopkins	(270) 821-3092	25 East Center Street	Madisonville	42431
Jackson	(606) 287-7634	P.O. Box 249	McKee	40447
Jefferson	(502) 574-6380	504 Fiscal Court Bldg., 531 Court Place	Louisville	40202
Jessamine	(859) 885-4931	P.O. Box 530	Nicholasville	40356
Johnson	(606) 789-2564	Courthouse, Second Floor, 229 Court Street	Paintsville	41240
Kenton	(859) 392-1750	303 Court Street, Room 210	Covington	41011
Knott	(606) 785-5569	P.O. Box 1021	Hindman	41822
Knox	(606) 546-4113	P.O. Box 1509	Barbourville	40906
Larue	(270) 358-4202	Courthouse, 209 West High Street	Hodgenville	42748
Laurel	(606) 864-2889	Courthouse, Room 101, 101 South Main Street	London	40741

COUNTY PVA PHONE NUMBERS AND ADDRESSES

Continued

County	Phone Number	Address	City	ZIP Code
Lawrence	(606) 638-4743	122 South Main Cross Street	Louisa	41230
Lee	(606) 464-4105	P.O. Box 1008	Beattyville	41311
Leslie	(606) 672-2456	P.O. Box 1891	Hyden	41749
Letcher	(606) 633-2182	Courthouse, 156 Main Street, Suite 105	Whitesburg	41858
Lewis	(606) 796-2622	P.O. Box 490	Vanceburg	41179
Lincoln	(606) 365-4550	201 East Main Street	Stanford	40484
Livingston	(270) 928-2524	P.O. Box 77	Smithland	42081
Logan	(270) 726-8334	P.O. Box 307	Russellville	42276
Lyon	(270) 388-7271	P.O. Box 148	Eddyville	42038
McCracken	(270) 444-4712	Courthouse Annex, 621 Washington Street	Paducah	42003
McCreary	(606) 376-2514	P.O. Box 609	Whitley City	42653
McLean	(270) 273-3291	P.O. Box 246	Calhoun	42327
Madison	(859) 623-5410	Courthouse, Room 60, 101 West Main Street	Richmond	40475-1436
Magoffin	(606) 349-6198	P.O. Box 148	Salyersville	41465
Marion	(270) 692-3401	Courthouse, 120 West Main Street	Lebanon	40033
Marshall	(270) 527-4728	1101 Main Street	Benton	42025
Martin	(606) 298-2807	P.O. Box 341	Inez	41224
Mason	(606) 564-3700	220 1/2 Sutton Street	Maysville	41056
Meade	(270) 422-2178	516 Fairway Drive, Courthouse Complex, Suite 3	Brandenburg	40108
Menifee	(606) 768-3514	P.O. Box 36	Frenchburg	40322
Mercer	(859) 734-6330	P.O. Box 244	Harrodsburg	40330
Metcalfe	(270) 432-3162	P.O. Box 939	Edmonton	42129
Monroe	(270) 487-6401	200 North Main Street, Suite A	Tompkinsville	42167-1548
Montgomery	(859) 498-8710	Courthouse Annex, 44 West Main Street	Mt. Sterling	40353
Morgan	(606) 743-3349	P.O. Box 57	West Liberty	41472
Muhlenberg	(270) 338-4664	P.O. Box 546	Greenville	42345
Nelson	(502) 348-1810	113 East Stephen Foster Avenue	Bardstown	40004
Nicholas	(859) 289-3735	P.O. Box 2	Carlisle	40311
Ohio	(270) 298-4433	P.O. Box 187	Hartford	42347
Oldham	(502) 222-9320	100 East Main Street	LaGrange	40031
Owen	(502) 484-5172	P.O. Box 337	Owenton	40359
Owsley	(606) 593-6265	P.O. Box 337	Booneville	41314
Pendleton	(859) 654-6055	Courthouse, Room 2, 233 Main Street	Falmouth	41040
Perry	(606) 436-4914	481 Main Street	Hazard	41701
Pike	(606) 432-6201	146 Main Street, Suite 303	Pikeville	41501
Powell	(606) 663-4184	P.O. Box 277	Stanton	40380
Pulaski	(606) 679-1812	P.O. Box 110	Somerset	42502
Robertson	(606) 724-5213	P.O. Box 216	Mt. Olivet	41064
Rockcastle	(606) 256-4194	P.O. Box 977	Mt. Vernon	40456
Rowan	(606) 784-5512	627 East Main Street	Morehead	40351
Russell	(270) 343-4395	P.O. Box 224	Jamestown	42629
Scott	(502) 863-7885	Courthouse, 101 East Main Street	Georgetown	40324
Shelby	(502) 633-4403	501 Washington Street	Shelbyville	40065
Simpson	(270) 586-4261	P.O. Box 424	Franklin	42135
Spencer	(502) 477-3207	P.O. Box 425	Taylorsville	40071
Taylor	(270) 465-5811	Courthouse, 203 South Court Street	Campbellsville	42718
Todd	(270) 265-5614	P.O. Box 593	Elkton	42220
Trigg	(270) 522-3271	P.O. Box 1776	Cadiz	42211
Trimble	(502) 255-3592	P.O. Box 131	Bedford	40006
Union	(270) 389-1933	P.O. Box 177	Morganfield	42437
Warren	(270) 843-3268	P.O. Box 1269, 429 Tenth Avenue East	Bowling Green	42102-1269
Washington	(859) 336-5420	P.O. Box 189	Springfield	40069
Wayne	(606) 348-6621	109 North Main Street	Monticello	42633
Webster	(270) 639-7016	P.O. Box 88	Dixon	42409
Whitley	(606) 549-6008	P.O. Box 462	Williamsburg	40769
Wolfe	(606) 668-6923	P.O. Box 155	Campton	41301
Woodford	(859) 873-4101	Courthouse, Room 108, 103 Main Street	Versailles	40383

DIVISION OF STATE VALUATION, FRANKFORT 40620: (502) 564-8160

Go to www.revenue.ky.gov to download forms.