

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 172

Approved March 26, 1981

RESOLVED, That the City Council of the City of Providence endorses House Bill H-6062 and Senate Bill S-734, relative to removing of lines, cables, conduits, ducts, pipes and other personal property of the Telephone Company from tax exempt status, which would generate approximately Five to Eight Million Dollars in Taxes to the City of Providence.

IN CITY COUNCIL

MAR 19 1981
READ AND PASSED

Ralph Fagnoli
Clerk
Rose M. Menckner
CLERK

APPROVED
James J. Cianci
MAYOR

MAR 26 1981



TOWN OF NORTH PROVIDENCE
OFFICE OF THE MAYOR
NORTH PROVIDENCE, RHODE ISLAND 02911

SALVATORE MANCINI
MAYOR

March 12, 1981

Dear Municipal Official:

I am writing to you to urge your support of Senate Bill #734; House #6062. This legislation would end the exemption of the tangible personal, property assets of New England Telephone and Telegraph Company from local taxes.

For decades New England Telephone and Telegraph Company has been the only utility in this state that has had such an exemption. In effect, it has been the local property taxpayer who has been subsidizing the operation of the telephone company. I feel that this is patently unfair, and in this time of spiraling government costs, decreasing federal assistance and overpressed taxpayers, it is simply unallowable. I respectfully suggest that you contact your local state senators and representatives to ask for their favorable vote on this "Tax-base Expansion" Legislation. New England Telephone and Telegraph Company must start paying its fair share to the local communities.

Please feel free to contact me, if you have any questions or comments, on this important legislation.

Sincerely,


Salvatore Mancini
Mayor

SM/eam

Enclosures (3)

NEW ENGLAND TELEPHONE & TELEGRAPH COMPANY

RHODE ISLAND FACT SHEET

- UNDER SECTION 44-13-13 OF THE RHODE ISLAND GENERAL LAWS THE NEW ENGLAND TELEPHONE & TELEGRAPH COMPANY IS EXEMPT FROM ANY LOCAL TAXES ON TANGIBLE PROPERTY OTHER THAN LAND OR BUILDINGS. ALL OTHER UTILITIES IN RHODE ISLAND MUST PAY LOCAL TAXES ON TANGIBLE ASSETS.

- OTHER NEW ENGLAND STATES, SUCH AS MASSACHUSETTS, CURRENTLY TAX NEW ENGLAND TELEPHONE & TELEGRAPH COMPANY'S TANGIBLE ASSETS.

- THE TANGIBLE PROPERTY OF NEW ENGLAND TELEPHONE & TELEGRAPH COMPANY IN RHODE ISLAND, EXCLUDING BUILDINGS AND LAND, IS APPROXIMATELY \$459,373,314.00 AS OF AUGUST 31, 1980.

- CURRENTLY IT IS THE RESIDENTIAL PROPERTY OWNER WHO IS SUBSIDIZING THE TANGIBLE PROPERTY OF NEW ENGLAND TELEPHONE & TELEGRAPH COMPANY. AS RECENT MUNICIPAL TAX PROBLEMS IN THE STATE POINT OUT, THIS BURDEN MUST BE LIFTED FROM THE PROPERTY TAX PAYER'S SHOULDERS.

NOTE: TANGIBLE PROPERTY FIGURE IS LINE 29 MINUS LINES 5 AND 6 (ALL FROM COLUMN "H") ON THE "ANALYSIS OF TELEPHONE PLANTS ACCOUNTS" SHEETS INCLUDED IN THIS PACKET.

12A. ANALYSIS OF TELEPHONE PLANTS ACCOUNTS - (continued)

3. Credits to accounts listed in this schedule relating to property retired and charged to account 103, "Miscellaneous physical property," shall be included in column (D).

Line No.	CREDITS DURING THE YEAR		Transfers and Adjustments (Charges and (Credits)) (g)	Balance at End of the Year (h)
	Plant Sold with Traffic (e)	Other Plant Retired (f)		
	\$	\$	\$	\$
1		0		0
2		0		0
3		0		0
4				
5		0		1,501,587*
6		22,678		32,696,627*
7		7,667,105		162,370,296
8		(721,503)		43,414,637
9		4,988,129		60,014,288
10		1,804,810		23,758,166
11		105,651		15,704,433
12		351,302		54,436,085
13		19,601		37,219,735
14		87,895		8,746,828
15		0		472,555
16		10,181		523,182
17		15,384		29,218,051
18		873,149		4,204,989
19		516,002		7,023,374
20		15,740,384		481,304,833
21	x	x		0
22		0		0
23		15,740,384		481,304,833
24		0		12,166,695
25		0		0
26		0		0
27		15,740,384		493,471,528
28		0		0
29		15,740,384		493,471,528*

STATE OF RHODE ISLAND
12A. ANALYSIS OF TELEPHONE PLANT ACCOUNTS

PART 4
SECT. R
TABLE 7

1. Report in column (c) all amounts relating to purchases of plant accounted for in accordance with paragraphs (a) and (b) of Section 31.2-21 of the Commission's Rules.

2. Each transfer or adjustment between accounts listed in this schedule, or between accounts listed in this schedule and other accounts, shall be included in column (g) and explained in a note, except the following which shall be included in columns (c) through (f), as appropriate: (1) transfers and adjustments amounting to less than \$5,000; (2) adjustments and corrections of additions and retirements for the current or the preceding year; (3) transfers involving account 100.2, the plant accounts, and account 100.3 made in connection with the closing of the records of construction work orders or authorizations; and (4) routine entries relating to the acquisition, sale, retirement, or change in the use, of plant, such as transfers among accounts 201 to 264, inclusive, 276, 277, 100.3 and 100.4.

Line No.	Account (a)	Balance at Beginning of the Year (b)	CHARGES DURING THE YEAR	
			Plant Acquired from Predecessors (see instruction 1) (c)	Other Plant Added (d)
	100.1 TELEPHONE PLANT IN SERVICE:			
1	201 Organization	0		0
2	202 Franchises	0		0
3	203 Patent rights	0		0
4	207 Right-of-way (Deleted 1-1-60)			
5	211 Land	1,501,587		0
6	212 Buildings	31,316,178		1,403,127
7	221 Central office equipment	153,751,807		16,285,594
8	231 Station apparatus	36,733,516		5,959,618
9	232 Station connections	51,894,728		13,107,689
10	234 Large private branch exchs.	23,095,911		2,467,065
11	241 Pole lines	14,753,469		1,056,615
12	242.1 Aerial cable	50,606,549		4,180,838
13	242.2 Underground cable	35,107,841		2,131,495
14	242.3 Buried cable	8,575,646		259,077
15	242.4 Submarine cable	472,555		0
16	243 Aerial wire	493,735		39,628
17	244 Underground conduit	28,899,315		334,120
18	261 Furniture and office equip	3,732,248		1,345,890
19	264 Vehicles and other work equip.	6,320,526		1,218,850
20	Subtotal (lines 1-19, incl.)	447,255,611		49,789,606
21	276 Telephone plant acquired	0		0
22	277 Telephone plant sold	0	xx	xx 0
23	Subtotal (lines 20-22, incl.)	447,255,611		49,789,606
24	100.2 Telephone plant under construction	4,046,754		8,119,941
25	100.3 Property held for future telephone use	0		0
26	100.4 Telephone plant acquisition adjustment	0		xx 0
27	Subtotal (lines 23-26, incl.)	451,302,365		57,909,547
28	100.7 Telephone plant adjustment	0		0
29	Total	451,302,365		57,909,547

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 1981

A N A C T

RELATING TO TAXATION OF TELEPHONE
PERSONAL PROPERTYIntroduced By:Date Introduced:Referred To:

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-13-13 of the General Laws in Chapter
2 44-13 entitled "Public Service Corporation Tax" is hereby
3 repealed.

4 ~~44-13-13.---Tangible---personal---property---exempt---from---local~~
5 ~~taxation:---- The-lines,-cables,-conduits,-duets,-pipes,-machines~~
6 ~~and---machinery,-equipment---and---other-tangible-personal-property~~
7 ~~within-this-state-of-telegraph,-cable,-and-telephone-corporations~~
8 ~~and-express-corporations,-used-exclusively-in-the-carrying-on---of~~
9 ~~the-business-of-any-such-utility-shall-be-exempt-from-local-taxa-~~
10 ~~tion.~~

1

SECTION 2. This act shall take effect upon passage.

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RE742

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EXPLANATION
BY THE LEGISLATIVE COUNCIL

OF

AN ACT
RELATING TO TAXATION OF TELEPHONE
PERSONAL PROPERTY

1 This bill would remove from tax exemption status the lines,
2 cables, conduits, ducts, pipes, (etc.) and other personal prop-
3 erty of the telephone company.

4 This act shall take effect upon passage.

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RE742
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