

FIRST REGULAR SESSION

HOUSE BILL NO. 806

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SUTHERLAND.

Read 1st time March 16, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1820L.01I

AN ACT

To repeal section 137.078, RSMo, and to enact in lieu thereof one new section relating to property tax depreciation schedules for broadcasting equipment.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 137.078, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.078, to read as follows:

137.078. 1. For purposes of this section, the following terms shall mean:

(1) "Analog equipment", all depreciable items of tangible personal property that are used directly or indirectly in broadcasting television shows [and], **radio programs, and/or commercials through the use of analog technology, including studio broadcast equipment, tower transmission and antenna equipment, and broadcast towers;**

(2) "Applicable analog fraction", a fraction, the numerator of which is the total number of analog television sets in the United States for the immediately preceding calendar year and the denominator of which is an amount representing the total combined number of analog and digital television sets in the United States for the immediately preceding calendar year. The applicable analog fraction will be determined on an annual basis by the Missouri Broadcasters Association;

(3) "Applicable analog percentage", the following percentages for the following years:

Year	2004	2005	2006	2007
of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
				1%

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15	2006				1%
16	2005			25%	1%
17	2004		50%	25%	1%
18	2003	75%	50%	25%	1%
19	2002	75%	50%	25%	1%
20	2001	75%	50%	25%	1%
21	2000	75%	50%	25%	1%
22	1999	75%	50%	25%	1%
23	1998	75%	50%	25%	1%
24	Prior	75%	50%	25%	1%;

25 (4) "Applicable digital fraction", a fraction, the numerator of which is the total number
 26 of digital television sets in the United States for the immediately preceding calendar year and the
 27 denominator of which is an amount representing the total combined number of analog and digital
 28 television sets in the United States for the immediately preceding calendar year. The applicable
 29 digital fraction will be determined on an annual basis by the Missouri Broadcasters Association;

30 (5) **"Broadcast tower", a structure with a function that includes holding television**
 31 **or radio broadcasters' antennae, repeaters, and/or translators at the height required or**
 32 **needed to transmit over-the-air signals or, as in the case of an AM radio station, are part**
 33 **of the transmission of the signals. Broadcast tower also includes a structure at least**
 34 **partially used by television broadcasters or radio broadcasters to provide weather radar**
 35 **information to the viewing public. For property assessment purposes, a broadcast tower**
 36 **is classified as tangible personal property;**

37 (6) "Digital equipment", all depreciable items of tangible personal property that are used
 38 directly or indirectly in broadcasting television shows [and], **radio programs, and/or**
 39 **commercials through the use of digital technology, including studio broadcast equipment,**
 40 **tower transmission and antenna equipment, and broadcast towers;**

41 (7) **"Radio broadcaster", any business that owns, leases, or operates a radio**
 42 **broadcasting station that transmits radio shows and commercials and that is required to**
 43 **be licensed by the Federal Communications Commission to provide such services;**

44 (8) **"Radio broadcasting equipment", both analog equipment and digital**
 45 **equipment;**

46 [(6)] (9) "Television broadcasters", all businesses that own, lease, or operate television
 47 broadcasting stations that transmit television shows and commercials and that are required to be
 48 licensed by the Federal Communications Commission to provide such services;

49 [(7)] (10) "Television broadcasting equipment", both analog equipment and digital
 50 equipment;

51 **(11) "Tower transmission and antenna equipment", equipment with functions that**
 52 **include transmitting signals from broadcast studios by increasing the power, tuning signals**
 53 **to the frequency allowed by regulatory authorities, and broadcasting signals to the public**
 54 **for television broadcasters or radio broadcasters;**

55 **(12) "Studio broadcast equipment", studio equipment that receives, produces,**
 56 **modifies, controls, measures, modulates, adds to or subtracts from, or enhances signals in**
 57 **the process that results in over-the-air signals for television broadcasters or radio**
 58 **broadcasters.**

59 2. In response to recent action by the Federal Communications Commission, as described
 60 by the commission in the fifth report and order, docket number 97-116, for purposes of assessing
 61 all items of television broadcasting equipment that are owned and used by television broadcasters
 62 for purposes of broadcasting television shows and commercials:

63 (1) The true value in money of all analog equipment shall be determined by depreciating
 64 the historical cost of such property using the depreciation tables provided in subdivision (1) of
 65 subsection 3 of this section and multiplying the results by the applicable analog percentage. The
 66 result of the second computation is multiplied by the applicable analog fraction to determine the
 67 true value in money of the analog equipment; and

68 (2) The true value in money of all digital equipment shall be determined by depreciating
 69 the historical cost of such property using the depreciation tables provided in subdivision (2) of
 70 subsection 3 of this section and multiplying the results by the applicable digital fraction to
 71 determine the true value in money of the digital equipment.

72 3. For purposes of subsection 2 of this section, the depreciation tables for determining
 73 the fair value in money of television broadcasting equipment are as follows:

74 (1) For analog equipment, the following depreciation tables will apply for the following
 75 years:

76 Year	2004	2005	2006	2007
77 of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
78 2006				65%
79 2005			65%	45%
80 2004		65%	45%	30%
81 2003	65%	45%	30%	20%
82 2002	45%	30%	20%	10%
83 2001	30%	20%	10%	5%
84 2000	20%	10%	5%	5%
85 1999	10%	5%	5%	5%
86 1998	5%	5%	5%	5%

87 Prior 5% 5% 5% 5%;
 88 (2) For digital equipment, the following depreciation tables will apply for the following
 89 years:

90	2004	2005	2006	2007
91 Year of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
92 2006				65%
93 2005			65%	45%
94 2004		65%	45%	30%
95 2003	65%	45%	30%	20%
96 2002	45%	30%	20%	10%
97 2001	30%	20%	10%	5%
98 2000	20%	10%	5%	5%
99 1999	10%	5%	5%	5%
100 1998	5%	5%	5%	5%
101 Prior	5%	5%	5%	5%.

102 **4. Beginning January 1, 2008, for purposes of assessing all items of television**
 103 **broadcasting equipment that are owned and used by television broadcasters for purposes**
 104 **of broadcasting television shows and commercials, the following depreciation tables shall**
 105 **be used to determine their true value in money:**

106 Year	107 Studio Broadcast Equipment	108 Tower Transmission and Antenna Equipment	109 Broadcast Tower
110 1	65%	91%	96%
111 2	45%	82%	93%
112 3	30%	73%	89%
113 4	20%	64%	86%
114 5	10%	55%	82%
115 6	5%	46%	79%
116 7		37%	75%
117 8		28%	72%
118 9		19%	68%
119 10		10%	65%
120 11			61%
121 12			58%
122 13			54%
			51%
			47%

123	16	44%
124	17	40%
125	19	33%
126	20	30%
127	21	27%
128	22	24%
129	23	21%
130	24	18%
131	25	15%

132 **5. Beginning January 1, 2006, for purposes of assessing all items of radio**
 133 **broadcasting equipment that are owned and used by radio broadcasters for purposes of**
 134 **broadcasting radio programs and commercials, the following depreciation tables shall be**
 135 **used to determine their true value in money:**

136	Year	Studio Broadcast	Tower Transmission	Broadcast Tower
137		Equipment	and Antenna Equipment	
138	1	65%	91%	96%
139	2	45%	82%	93%
140	3	30%	73%	89%
141	4	20%	64%	86%
142	5	10%	55%	82%
143	6	5%	46%	79%
144	7		37%	75%
145	8		28%	72%
146	9		19%	68%
147	10		10%	65%
148	11			61%
149	12			58%
150	13			54%
151	14			51%
152	15			47%
153	16			44%
154	17			40%
155	19			33%
156	20			30%
157	21			27%
158	22			24%

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159 **23**

21%

160 **24**

18%

161 **25**

15%