



GENERAL INSTRUCTIONS

**WHO SHOULD FILE**

**RSA 82:2 Rate** - "Every railroad, railway, express, and every parlor, sleeping or dining car company, or other company not a railroad company owning any cars operated for profit on any railroad in this state shall pay to the state an annual tax, as of April 1 of each year, upon the market value of its property and estate, at a rate equal as may be to the average rate of taxation at that time upon other property throughout the state. Market value means the property's full and true value as defined in RSA 75:1."

**DEFINITIONS RSA 82:1**

- I. The word "company" as used in this chapter shall apply to any enterprise, whether corporation, partnership, limited liability company, proprietorship, association, business trust, real estate trust, or other form of organization.
- II. The term "express corporation or company" shall be construed to mean any corporation or company engaged in the business of transporting property as express over the lines of railroads.
- III. The term "amusement railroad" means a railroad operating as a tourist, scenic, or historic operation, which provides train rides solely for one or more such purposes.

**WHEN TO FILE**

The completed form is due on or before May 1, 2025. RSA 82:10, I(a). The assessment date is April 1 of the current tax year.

**EXTENSION & LATE FILING PENALTY**

Pursuant to RSA 82:10, I(b), if a filing extension is required the taxpayer shall submit a request to the New Hampshire Department of Revenue Administration (NHDRA, "Department") using Form *PA-25 Request for Extension to File Tax Information for Railroad and Private Rail Car* on or before May 1 of the current tax year. The extension shall be valid only upon written confirmation from the Department, and shall not exceed 30 days per request. No more than two extensions shall be granted in a given tax year.

If the taxpayer fails to file a completed Form PA-22 or PA-25 as required under RSA 82:10, I(a) and I(b) on or before their respective due dates, penalties will be assessed under RSA 82:10, III. RSA 82:10, III states that "Any company that fails to file a completed form as required under paragraph I on or before May 1, or by the date granted by an extension, if applicable, shall pay a penalty of one percent of the property tax for which the person is liable. In no case, however, shall the penalty be less than \$250.00 or more than \$2,500.00. This penalty shall be treated as incident to the tax and shall be in addition to any other penalty applicable pursuant to paragraph II."

**WHERE TO FILE**

File online at Granite Tax Connect [gtc.revenue.nh.gov/TAP/](http://gtc.revenue.nh.gov/TAP/) / or by mail to: NHDRA, Municipal and Property Division, Attn: Utility Appraiser, PO Box 487, Concord, NH 03302-0487.

**NEED HELP?**

Call the Municipal and Property Division at (603) 230-5950 M-F, 8:00am-4:30pm, or email at [utilities@dra.nh.gov](mailto:utilities@dra.nh.gov). All written correspondence to the Department should include the taxpayer name, taxpayer identification number, name of the contact person, and a daytime telephone number.

**NEED FORMS?**

To obtain additional forms, you may visit our website at [www.revenue.nh.gov](http://www.revenue.nh.gov), by calling the Forms Line at (603) 230-5001, or by requesting them through the Granite Tax Connect web portal at [gtc.revenue.nh.gov/TAP/](http://gtc.revenue.nh.gov/TAP/) /.

**ADA COMPLIANCE**

Individuals who need auxiliary aids for effective communications in programs and services of the NHDRA are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.

**STEP 1: OWNERSHIP & CONTACT INFORMATION**

**NAME OF RAILROAD COMPANY (TRADE NAME):** This is the common or legal trade name of the railroad property.

**AMENDED CHECKBOX:** This checkbox would need to be checked if this is an amended version of this form.

**NAME OF OWNER:** The name of the legal ownership of the railroad, if different than common name of the railroad or trade name.

**NAME OF PARENT COMPANY:** In instances where the railroad is a subset of a larger parent company that files consolidated tax returns that include the railroad, provide the name of the parent company.

**TAXPAYER IDENTIFICATION NUMBER:** Provide either the Federal Employer Identification Number (FEIN) or the Social Security Number (SSN) that applies. A valid identification number is required for billing purposes and payment of the railroad property tax. This number must match the number used when filing all NH tax returns for this entity.

**POINT OF CONTACT:** Fill in all blocks with information pertaining to the contact person associated with the railroad's accounting/finance and valuation issues, and recipient of the annual tax notice.

**STEP 2: SALE AND/OR LISTING HISTORY**

Per RSA 82:10, IV, a sale or transfer of a company's property or assets must be reported. The change in asset ownership can be the result of a sale of the fee simple interest, a leasehold interest, a partial interest, a transfer of stock ownership or other interests. If no changes in ownership were made in prior three years, check "No." If the railroad property has changed ownership within the prior three years, check "Yes" and attach a detailed summary and a copy of the sale agreement. If a copy of the sale agreement has previously been submitted to the Department it does not need to be submitted again. State what year the document was previously submitted. The detailed summary must include:

- Grantor (seller) and grantee (buyer)
- Date sale was consummated (closing date)
- Sale price in U.S. dollars
- A description of the assets included in the sale
- A description of the condition or operational status of the property, or any other issues that may have had an impact on the sale price
- A statement as to whether this was an arm's length transaction (e.g. no duress, unrelated parties) or was not (e.g. related parties, duress or other circumstances that may have caused the sale price to be more or less than market value)

If within the past year the railroad property has been offered or listed for sale, been placed under agreement or under option for sale, or if an offer to purchase has been received, provide all salient information. Attach a detailed summary including any pertinent dates, prices, terms, and results of the transaction.

**STEP 3: ANTICIPATED CHANGES**

Describe property specific or external market related events or circumstances that have or are expected to impact your future income, expenses, or operations.

**STEP 4: ASSET COST BASIS**

**Accounting Period:** Indicate whether the information provided reflects accounting information ending on March 31 of this tax year by checking that box, or some other fiscal year (provide the year-ending date, ex. 12/31/24).

**Original Cost Basis:** There are two columns that both need to be completed; EVERYWHERE ASSETS and NH-ONLY ASSETS. If the railroad is located exclusively in New Hampshire, complete BOTH the "Everywhere" and "New Hampshire" columns, entering the same amounts in both columns even though the information is identical. If the assets are located outside of NH as well as inside of NH, include the cost basis of the railroad assets in all states in the "Everywhere" column. The "Everywhere" column captures the tangible and intangible railroad assets located inside and outside of New Hampshire. The "NH-ONLY Assets" column captures the tangible and intangible railroad assets located only in New Hampshire.



GENERAL INSTRUCTIONS (continued)

**LINE 1 ROAD:** Include all of the owner's costs of construction or acquisition of road assets. This includes but is not limited to such items as land, grading, rails and other track materials, bridges, tunnels, buildings, stations, signals, communication systems, power systems, etc. It can also include capitalized leases. Do **NOT** include Construction in Progress (CIP) that is not yet in service in this line; CIP is entered in Line 4 Other Property. Do **NOT** include non-railroad related property (property not held for or not used in railroad service).

**LINE 2 EQUIPMENT:** Include all of the owner's costs of building or acquiring equipment assets. This includes but is not limited to such items as locomotives, freight or other cars of any type, vehicles, computer systems, communication equipment, etc. It can also include capitalized leased equipment.

**LINE 3 GENERAL EXPENDITURES:** Include all of the owner's costs of building or acquiring assets that do not properly fall into the two categories in Lines 1 and 2. This includes but is not limited to such items as interest during construction.

**LINE 4 OTHER PROPERTY:** This consists primarily of construction in progress (CIP) that has not yet been placed in service.

**LINE 5 CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC):** This includes railroad assets owned and used by the railroad for railroad services that were paid for by donations from entities other than the railroad company. Typical sources of donations for CIAC could include:

- Grants, typically from state or federal agencies
- Donations from other governmental units
- Developer agreement donations
- Other railroad companies
- Special assessments
- Impact fees

The donation can be in the form of cash, services, property, or other types of goods.

**LINE 6 TOTAL GROSS ORIGINAL COST BASIS:** Add Lines 1 through 5 to arrive at the total gross original cost basis from all sources.

**LINE 7 ACCUMULATED DEPRECIATION/AMORTIZATION OF RAILROAD ASSETS:** This represents the accumulated TOTAL depreciation and amortization of all of the railroad's assets (tangible or intangible, owned or capital leased), up to the current tax year.

**LINE 8 TOTAL NET BOOK VALUE:** The required calculation is Line 6 (Total Gross Original Cost Basis) minus Line 7 (Total Accumulated Depreciation/Amortization) to arrive at the Total Net Book Value. This captures the tangible and intangible assets located "Everywhere" and in "NH Only" after applying depreciation and amortization.

**LINE 9 LAND AND/OR LAND RIGHTS:** Land represents a balance sheet account that tracks all costs associated with land, either owned or accounted for as capital lease. This includes land, easements, and/or rights-of-way (ROW) as well as the capitalized value of leased land, easements or ROWs. Do not include any consideration for land held under an operating lease.

**LINE 10 INTANGIBLES:** Intangibles are capitalized assets that retain value and cannot be physically "touched." These assets include such items as:

- Costs of obtaining certificates, licenses, franchises or consents authorizing an enterprise to engage in the railroad business. The authorization must be running in perpetuity or for a specified term of more than one year.
- Fees and expenses for incorporation, merges, consolidations, or office expenses incident to organizing the utility.

- Trade secrets, copyrights, franchise agreements, patents, trademarks, and goodwill.

**LINE 11 MATERIALS & OPERATING SUPPLIES:** This includes the cost of materials and supplies purchased primarily for construction, operation and maintenance purposes but as yet are unapplied and held in inventory. Materials and supplies are separate from railroad assets included in Line 1 because they have not yet been incorporated into the road accounts. Include any spare parts if they have not been booked to the road or equipment accounts.

For additional definitions or accounting guidance, refer to the Uniform System of Accounts for Railroads as recognized by the Surface Transportation Board of the U.S. Department of Transportation (49 CFR Ch. X Pt. 1201).

**STEP 5: COMPANY CAPITAL STRUCTURE**

**LINE 1 LONG-TERM DEBT:** Enter the accounting balance sheet data, per books, associated with all long-term debt, to include mortgages, notes, and bonds payable in 1 year or more, and other long-term liabilities. This includes not only long-term debt to third parties but also to related parties and inter company debt.

**LINE 2 PREFERRED STOCK:** Enter the accounting balance sheet data, per books, associated with preferred stock, if a corporation.

**LINE 3 COMMON EQUITY:** Enter the accounting balance sheet data per books associated with:

- Common stock if a corporation;
- Capital accounts if a partnership or LLC; or
- Owner's equity if a sole-proprietorship.

**LINE 4 CURRENT LIABILITIES:** Enter the accounting balance sheet data, per books, associated with all current short-term liabilities, to include mortgages, notes, and bonds payable in less than 1 year, accounts payable and other current liabilities.

**LINE 5 TOTAL CAPITAL STRUCTURE:** Add Lines 1 through 4 to arrive at the company's total capital structure.

**STEP 6: TRACKAGE INFORMATION**

**LINE 1 TRACKS OWNED EVERYWHERE:** Enter the total miles of track owned by the company everywhere, meaning tracks both inside and outside of New Hampshire.

**LINE 2 TRACKS OWNED IN NEW HAMPSHIRE:** Enter the total miles of track owned by the company exclusively in New Hampshire.

**LINE 3 TRACKS LEASED EVERYWHERE:** Enter the total miles of track leased by the company everywhere, meaning tracks both inside and outside of New Hampshire.

**LINE 4 TRACKS LEASED IN NEW HAMPSHIRE:** Enter the total miles of track leased by the company exclusively in New Hampshire.

**LINE 5 BREAKDOWN OF TRACKAGE IN NEW HAMPSHIRE:** Provide a breakdown of all trackage in New Hampshire by municipality. Enter the name of the town or city in the first column. Enter the miles of track owned by the railroad in each municipality in the second column. Enter the miles of track leased from the NH DOT in each town in the third column. Enter the miles of tracks leased from entities other than the NH DOT in each municipality in the last column. Enter the mileage to the nearest 1/10th of a mile.



GENERAL INSTRUCTIONS (continued)

**STEP 7**

Enter the total amount of gross ton miles everywhere.

**STEP 8**

Enter the total amount of gross ton miles in New Hampshire only.

**STEP 9: REVENUE EVERYWHERE**

**LINES 1 THROUGH 6 REVENUE CATEGORIES:** Breakdown the annual revenue for the past 3 years by major category and enter in the appropriate line and column. The categories are freight revenue, passenger revenue, tourist revenue, repair revenue, rent revenue, and other revenue. For the other revenue category, provide a detailed schedule that allows transparency of the types of revenue included. The revenue reported must include total gross railroad revenue everywhere (both inside and outside of New Hampshire).

If your company has revenue attributable to both railroad and non-railroad operations, you must provide a detailed explanation identifying how allocation of the revenue was accomplished, or provide reports that segregate the railroad and non-railroad revenue.

**LINE 7 TOTAL RAILROAD REVENUE:** Add Lines 1 through 6 in each column to arrive at total railroad revenue for each of the three prior years.

**STEP 10: OPERATING EXPENSES EVERYWHERE**

**GENERAL EXPENSE INSTRUCTIONS:** Enter the data for railroad expenses only (do NOT include non-railroad expenses).

Enter the data for each expense item (railroad expenses only; do NOT include non-railroad expenses) when applicable for each of the prior three years. It is imperative that expenses associated with a particular line item are not duplicated on any other lines. For example, property taxes should be included in Line 7, but not Lines 2, 3, or any other line.

Provide detailed attachments as required under various headings (refer to Step 11, Page 5 of the form) for a detailed list.

All entries should be made as positive numbers for each section, unless an account has a peculiar negative offset. For example: for Line 7 a property tax expense of \$1,000 would be listed as \$1,000, not negative \$1,000.

If that same expense account had received a \$1,200 abatement of property taxes, then you would enter a negative \$200, since there is an offset to the expense category (\$1,000 expense minus \$1,200 gain). Attach a note explaining negative entries.

**SPECIFIC LINE EXPENSE INSTRUCTIONS:**

**LINE 1 MAINTENANCE & REPAIR EXPENSES:** Enter total maintenance and repair expenses for all railroad assets for each of the three prior years. Provide a detailed schedule.

**LINE 2 OPERATION EXPENSES:** Enter total railroad operation expenses for each of the three prior years. Provide a detailed schedule.

**LINE 3 GENERAL/ADMINISTRATIVE (G&A) EXPENSES:** Enter total G&A expenses for each of the three prior years. This category can be included with Line 2 if you choose, but a detailed schedule must be provided to allow transparency of the items included. Do NOT include expense amounts for the same item in both lines; each expense item must be reported in only one line in this form.

**LINE 4 OTHER MISCELLANEOUS EXPENSES:** Enter total miscellaneous expenses for each of the three prior years. These are atypical expenses that do not properly fall into the three previous categories and may only occur on an intermittent basis. Enter the amounts in the year in which they occurred and provide a detailed schedule showing what type of expense(s) these amounts represent.

**LINE 5 TAXES OTHER THAN INCOME TAXES:** This category could include taxes related to employment such as payroll taxes, unemployment taxes, etc., or miscellaneous taxes such as sales taxes, gross receipts taxes, excise taxes and similar items. This category can be included within Lines 1, 2 or 3 if you choose, but a detailed schedule must be provided to allow transparency of the items included in those lines. Do NOT include these expenses in more than one line. Do NOT include local municipal property taxes, the State of NH railroad tax or any income taxes in this line.

**LINE 6 TOTAL OPERATING EXPENSES:** Add Lines 1 through 5 for each of the three prior years. Make sure that individual expense items are included on one line.

**LINE 7 PROPERTY TAXES:** Enter the total amount of local and/or State property taxes paid in each of the prior three years. Include the NH Railroad Property Tax.

**LINE 8 BOOK DEPRECIATION EXPENSE:** Enter the total amount of book depreciation expense for all classes of depreciable plant in service for each of the three prior years. This should include any depreciation of asset retirement obligations. Attach a detailed schedule.

**LINE 9 BOOK AMORTIZATION EXPENSE:** Enter the total amount of book amortization expense for each of the prior three years. Attach a detailed schedule.

**LINE 10 INTEREST EXPENSE ON LONG-TERM DEBT:** Enter the total amount of interest paid on long-term debt with terms of greater than one year. It should include all interest associated with long-term debt provided by institutional lenders, shareholders, related entities, bonds and others. Do NOT include interest paid on short-term debt with maturities of one year or less; those amounts should be included in Line 2 for Operation Expenses or Line 3 for G&A Expenses.

**LINE 11 LONG-TERM DEBT EXPENSES OTHER THAN INTEREST:** This includes any expenses associated with obtaining long-term debt other than actual interest paid on the debt. It could include amortization of loan origination fees, insurance fees, account maintenance fees, legal costs, etc.

**LINE 12 INCOME TAXES - FEDERAL:** Enter the Federal income tax paid for each of the three prior years as reported on Federal income tax returns. Do NOT provide imputed or estimated taxes, only those actually paid and attributable to the period associated with this return. You may attach additional schedules which explain your policy and calculations for allocated or imputed amounts, but do NOT include those amounts in these lines.

**LINE 13 INCOME TAXES - STATE OR LOCAL:** Enter the State and/or local income taxes paid for each of the prior three years as reported on State income tax returns. Do NOT provide imputed or estimated taxes, only those actually paid and attributable to the period associated with this return. You may attach additional schedules which explain your policy and calculations for allocated or imputed amounts, but do NOT include those amounts in these lines. Include on this line the NH Business Enterprise Tax (BET) and NH Business Profits Tax (BPT) but do NOT include the NH Railroad Property Tax, which should be included in Line 7 with Property Taxes.

**LINE 14 INCOME TAXES - DEFERRED:** Enter the amount provided for deferred income taxes, if applicable, for each of the prior three years.

**LINE 15 TOTAL OTHER EXPENSES:** Add Lines 7 through 14 for each of the three prior years.

**LINE 16 ACTUAL IRS DEPRECIATION:** Enter the amount of IRS depreciation (not book depreciation) Attach a detailed schedule that includes asset class life and recovery period for each asset.



GENERAL INSTRUCTIONS (continued)

**STEP 11: CHECKLIST & DOCUMENT ATTACHMENTS**

Required document attachments are necessary to conduct a reliable appraisal. A common error in reporting expenses is the inclusion of an expense item in more than one category, for example: property taxes imbedded in operation expenses and also shown on the property tax line of the form. Errors such as this may significantly impact appraisal results. Take care to avoid such errors.

Therefore, you must submit documentation with sufficient detail clarifying revenue and expenses. Supporting documents must provide adequate granularity so that we can ensure that expense accounts in Step 10 are not duplicated under multiple categories. Unusual expense items must include explanations or itemization with additional detail.

It is not necessary to submit all of the listed attachments, if they contain identical material. For example: if a tax return contains a balance sheet pertaining solely to the Railroad, then an additional balance sheet is not required for submission. However, if a tax return pertains to both railroad and non-railroad income and expenses, then an income statement and balance sheet must be submitted with railroad-only details.

Tax returns to be submitted will vary depending on the form of ownership:

- Sole proprietors are required to submit Form 1040, its related statements and Schedule C.
- Partnerships are required to submit Form 1065 and its related statements. Do NOT submit the partnership K-1 schedules or B-1 schedule.
- Corporations are required to submit Form 1120 or 1120S and its related statements.
- All forms of ownership are required to submit Schedule 4562 (Depreciation and Amortization) and its supporting itemized breakdown schedule. If any tax credits or investment tax credits are received, the related IRS tax schedules must be submitted.
- Other tax return forms or schedules may be requested by the Department on an as needed basis; the taxpayer is required to submit them upon request.

**STEP 12: CERTIFICATION and AUTHORIZED SIGNATURE**

**SIGNATURE AND TITLE:** An authorized individual is required to sign the completed PA-22 form in ink. Indicate the date signed and the title of the person signing. If you are not an authorized employee of the company, you must also submit a properly completed and signed power of attorney, indicating your authority to sign this document. An acceptable power of attorney (Form DP-2848) is available at [www.revenue.nh.gov](http://www.revenue.nh.gov). If filing electronically through Granite Tax Connect (see Administrative Rule Rev. 2904.5), the electronic signature shall have the same legal effect as a signature in blue or black ink on a paper form.