
MEMORANDUM

TO: County Appraisers, County Clerks and County Treasurers

FROM: Roger Hamm, Personal Property Supervisor

DATE: July 21, 2009

SUBJECT: 2009 Broadcaster's Digital Equipment Credit %

The 2006 legislature provided for a personal property tax credit on digital broadcast equipment acquired prior to July 1, 2006. The credit is applied by the county treasurer to the personal property taxes owed by the television and/or radio broadcasters.

County appraisers –

To receive the tax credit for the 2009 tax year, a listing identifying digital TV equipment and a separate listing identifying digital radio equipment acquired prior to July 1, 2006 will need to be made by the broadcaster from their 2009 filed rendition. This year, like last year, should be much simpler since in theory the listing from the broadcasters will be identical to last years for digital equipment acquired prior to July 1, 2006. The county will want to keep these listings and values separate for calculating the 2009 tax credit. The resulting values will be passed on to the county clerk for the credit calculation.

The law also requires the Kansas Association of Broadcasters to provide the department of revenue with the digital TV fraction and the digital radio fraction. The department is then to communicate the fractions to each county appraiser.

The fractions have been converted to percentages and for the **2009** tax year they are as follows:

- **63.8 %** for digital television equipment.
- **99 %** for digital radio equipment.

County clerks -

The credit will be calculated using:

- 1) The amount equal to the broadcaster's personal property taxes on digital television and/or digital radio equipment acquired prior to July 1, 2006.
- 2) Multiplied by a specified percentage provided to the counties by the Kansas Department of Revenue. This percentage may be different for TV and radio and from one year to the next. Figure 1 shows a simplified example.

County treasurers –

The collection of personal property tax greater than the digital equipment tax credit and all other tax owed by the broadcaster would be collected and distributed in the normal manner.

Figure 1

Property Owner

XYZ Broadcaster

		Line
2009 Personal Property Assessed Value (including digital equipment)	6,815	1
Tax Levy	0.114696	2
Total Tax (line 1 multiplied by line 2)	\$781.65	3
Digital Equipment Credit		
Digital Equipment		
Television (assessed value)	3,750	7
Digital Equipment Factor	0.638	8
Television tax credit (line 7 multiplied by line 2 and line 8)	\$274.41	9
Digital Equipment		
Radio (assessed value)	2,200	10
Digital Equipment Factor	0.990	11
Radio tax credit (line 10 multiplied by line 2 and line 11)	\$249.81	12
Total Digital Equipment Tax Credit	\$524.22	
Total 2009 Personal Property Tax (line 3 minus line 9 and line 12)	\$257.44	

If you have questions about this property tax credit, please contact the personal property section at 785.296.2365.