

February 14, 1963.
Public Utilities.

House File 262
By REPPERT and DENMAN.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act relating to the taxation of telephone and telegraph companies and to clarify the terminology of statutes relating thereto in the light of technical developments since their original enactment.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Section four hundred thirty-three point five
- 2 (433.5), Code 1962, is hereby amended by adding thereto the
- 3 following:
- 4 "For purposes of this chapter, the phrase "mile of line"
- 5 means any electrical or electronic channel of communication
- 6 used by a telephone or telegraph company for the purpose of
- 7 transmitting any conversation or message, including but not
- 8 limited to the following:
- 9 "1. Single-conductor lines with ground return.
- 10 "2. Pairs of conductors of all types including open-wire
- 11 pairs, twisted pairs, co-axial cables, and each pair of con-
- 12 ductors contained in a multiple-conductor cable.
- 13 "3. Each channel of a phantom circuit, ghost circuit, or
- 14 other arrangement or device designed for or permitting simul-
- 15 taneous transmission of a greater number of messages or conver-
- 16 sations than the number of pairs of conductors actually used in
- 17 such simultaneous transmissions by electrical or electronic means
- 18 shall be counted as a separate line for purposes of computing the
- 19 number of miles of line of such company within the state.

20 "4. The entire length of all lines between exchanges, offices,
21 centrals, switchboards, and other distribution points and the
22 entire length of line from such distribution point to the building,
23 office booth, or other location at which consumers or subscribers
24 originate or receive messages or conversations shall be included
25 in the computation of number of miles of line within the state,
26 irrespective of the manner of suspending, supporting, or laying
27 such lines."

EXPLANATION OF HOUSE FILE 262

In 1938 the attorney general rendered an opinion excluding drop and service lines from the computation of number of miles of line under chapter 433 of the Code. It further appears that the tax commission considers multiple-line cables as single lines in making such computation. The present law makes no provision for figuring multiple transmission methods, whereby one or more physical lines are made to serve as a great number of virtual lines, into the total, probably for the reason that such methods were not developed until after the law was written. Although the foregoing does not necessarily alter the total valuation placed upon all of the property within the state of a telephone or telegraph company, it does result in gross inequity in the allocation of such taxable valuation to local taxing districts. The above amendment would ameliorate such inequities.