

3. ACCOUNTING

3.2 Assets

3.2.6 Utility Tax Levies

3.2.6.10 When a public utility levies taxes for operating purposes, general obligation bond redemption, or capital construction, a receivable should be recognized.

3.2.6.20 Utilities using the BARS are provided general ledger account 121.00, *Taxes Receivable*. Because utilities using another prescribed system, such as Federal Energy Regulatory Commission (FERC) or National Association of Regulatory Utility Commissioners (NARUC) do not have a taxes receivable account, they are advised use the general ledger account *Other Accounts Receivable*.

3.2.6.30 In all systems of accounts, the taxes levied for operating purposes should be shown as nonoperating revenue on the operating statement. Taxes levied for general obligation bond redemption are for principal and interest. The interest portion is shown as nonoperating revenue and the principal portion is treated as a reduction in the payable.