**Section 418.140 Subsequent Tax Rate Adjustments**

A municipality may, without requesting further action by the Commission, adjust the rates promulgated by the Commission under this Part by multiplying the cents per kilowatt-hour rate for each of the 10 usage categories by a fraction equal to (the desired new equivalent percentage tax rate) divided by (the equivalent percentage tax rate at which the Commission promulgated rates), provided that the new equivalent tax rate does not exceed 5%. For example, if the Commission has promulgated a municipality's kilowatt-hour (kWh) tax rates at the equivalent of a 2% gross receipts tax, and at a later date the municipality decides to increase the tax to the equivalent of a 4% gross receipts tax, each of the 10 category tax rates that were determined assuming a 2% rate can be multiplied by 2 (4% divided by 2%) to derive the 10 category tax rates assuming a 4% gross receipt tax. If the municipality wishes to spread the change in taxes over the 10 categories using a different approach, however, the municipality will be required to file the requested changed tax rates with the Commission, in accordance with Section 418.120.