



STEVEN L. BESHEAR  
Governor

FINANCE AND ADMINISTRATION CABINET  
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JONATHAN MILLER  
Secretary

THOMAS B. MILLER  
Commissioner

In the matter of:

██████████ INC.

Contact: ██████████, INC.

Attn: ██████████  
██████████

FINAL RULING NO. 2009-17  
March 17, 2009

Tangible Personal Property Tax Assessment  
January 1, 2003 through January 1, 2007

### FINAL RULING

The Kentucky Department of Revenue currently has outstanding tangible personal property tax assessments against ██████████, Inc. ("██████████") totaling \$██████████ (plus applicable interest and penalties) for the periods of January 1, 2003 through January 1, 2007. A breakdown of the assessments is shown in the chart below:

Tax Year	Tax Due	Interest As of 03/17/2009	Penalty As of 03/17/2009	Total Due As of 03/17/2009
January 1, 2003	\$██████████	\$██████████	\$██████████	\$██████████
January 1, 2004	\$██████████	\$██████████	\$██████████	\$██████████
January 1, 2005	\$██████████	\$██████████	\$██████████	\$██████████
January 1, 2006	\$██████████	\$██████████	\$██████████	\$██████████
January 1, 2007	\$██████████	\$██████████	\$██████████	\$██████████
TOTALS	\$██████████	\$██████████	\$██████████	\$██████████

██████████ manufactures and distributes custom designed ██████████. The Taxpayer has one location in Kentucky. ██████████'s Federal Identification number is ██████████.

██████████ protested the tangible personal property tax assessments contending that recycling equipment and manufacturing assets were incorrectly classified as Schedule A: Non-Manufacturing property and that a piece of equipment that was transferred to a location out of the state was improperly assessed as Schedule A: Non-Manufacturing property. The Taxpayer also maintained that a clerical error was made on the 2006 period return, in that they did not receive credit for the amount reported and remitted on Line 32: Manufacturers Finished Goods. No supporting documentation was submitted with the protest.

The assessment in question is presumed to be valid and it is the taxpayer's burden to prove otherwise. Revenue Cabinet v. Gillig, 957 S.W.2d 206 (Ky. 1997); Walter G. Hougland & Sons v. McCracken County Board of Supervisors, 306 Ky. 234, 206 S.W.2d 951 (1947). On ██████████, 2008, ██████████ was granted an extension to provide documentation that supports its position. The extension expired on ██████████, 2008 and no documentation was received by the Department. Again, by letter dated ██████████, 2009, the Department allowed ██████████ until ██████████, 2009 in which to provide supporting documentation. Again, no documentation was received by the Department. As of this date, ██████████ has not provided any of the requested documentation and has failed to meet its burden of proof that the assessment was incorrect.

Therefore, the outstanding tangible property tax assessments totaling \$██████████ (plus applicable interest and penalties) are legitimate liabilities of ██████████, Inc. due the Commonwealth of Kentucky.

This letter is the final ruling of the Kentucky Department of Revenue.

## APPEAL

You may appeal this final ruling to the Kentucky Board of Tax Appeals pursuant to the provisions of KRS 131.110, KRS 131.340-131.365, 103 KAR 1:010 and 802 KAR 1:010. If you decide to appeal this final ruling, your petition of appeal must be filed at the principal office of the Kentucky Board of Tax Appeals, 128 Brighton Park Boulevard, Frankfort, Kentucky 40602-2120, within thirty (30) days from the date of this final ruling. The rules of the Kentucky Board of Tax Appeals, which are set forth in 802 KAR 1:010, require that the petition of appeal must:

1. Be filed in quintuplicate;
2. Contain a brief statement of the law and facts in issue;
3. Contain the petitioner's or appellant's position as to the law and facts; and
4. Include a copy of this final ruling with each copy of the petition of appeal.

The petition of appeal must be in writing and signed by the petitioner or appellant. Filings by facsimile or other electronic means shall not be accepted.

Proceedings before the Kentucky Board of Tax Appeals are conducted in accordance with 103 KAR 1:010, 802 KAR 1:010 and KRS 131.340-131.365 and KRS Chapter 13B. Formal hearings are held by the Board concerning the tax appeals before it, with all testimony and proceedings officially reported. Legal representation of parties to appeals before the Board is governed by the following rules set forth in Section 2 (3) of 802 KAR 1:010:

1. An individual may represent himself in hearings before the Board;
2. An individual who is not an attorney may not represent any other individual, corporation, trust, estate, or partnership before the Board; and
3. An attorney who is not licensed to practice in Kentucky may practice before the Board if he complies with Rule 3.030(2) of the Rules of the Kentucky Supreme Court.

You will be notified by the Clerk of the Board of the date and time set for any hearing.

Sincerely,  
Finance and Administration Cabinet



Jason Snyder  
Executive Director  
Legal Services for Revenue

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

