



STEVEN L. BESHEAR  
Governor

FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT OF REVENUE  
501 HIGH STREET  
FRANKFORT, KENTUCKY 40620  
Phone (502) 564-3226  
Fax (502) 564-3875  
www.kentucky.gov

LORI HUDSON FLANERY  
Secretary

THOMAS B. MILLER  
Commissioner

In the matter of:

██████████ LLC

Contact: ██████████ LLC

Attn: ██████████  
██████████

FINAL RULING NO. 2013-42  
July 12, 2013

Motor Vehicle Usage Tax Assessment and Property  
or Ad Valorem Tax Assessments  
for 2008, 2009, 2010, 2011, 2012 and 2013

### FINAL RULING

The Kentucky Department of Revenue ("the Department") has an outstanding motor vehicle usage tax ("MVUT") assessment and motor vehicle property or ad valorem tax ("MOTAX") assessments for the tax years 2008 through 2013 against ██████████ LLC ("the LLC"). These assessments relate to a 2003 Fleetwood Excursion recreational vehicle ("the Fleetwood"). The following schedule reflects the total underpayments of tax represented by these assessments, including applicable interest accrued to July 12, 2013 as well as penalties:

Type Tax	Tax	Interest as of 7/12/2013	Penalty	Total as of 7/12/2013
Motor Vehicle Usage	\$ ██████████	\$ ██████████	\$ ██████████	\$ ██████████
TOTALS	\$ ██████████	\$ ██████████	\$ ██████████	\$ ██████████

Type Tax	Period	Tax Due	Interest as of 7/12/13	Penalty	Total as of 7/12/13
MOTAX	2009	\$██████████	\$██████████	\$██████████	\$██████████
MOTAX	2010	\$██████████	\$██████████	\$██████████	\$██████████
MOTAX	2011	\$██████████	\$██████████	\$██████████	\$██████████
MOTAX	2012	\$██████████	\$██████████	\$██████████	\$██████████
MOTAX	2013	\$██████████	\$██████████	\$██████████	\$██████████
TOTALS (MOTAX)	-	\$██████████	\$██████████	\$██████████	\$██████████
GRAND TOTAL (MOTAX and MVUT)	-	\$██████████	\$██████████	\$██████████	\$██████████

The Fleetwood was purchased from ██████████ ("██████████") in ██████████ on ██████████, 2008. The purchase order executed with ██████████ reflects a purchase price in the amount of \$██████████. The LLC failed to register the Fleetwood in Kentucky and to pay the MVUT in accordance with KRS 138.460. The Fleetwood was instead registered in the state of ██████████ after the purchase; however, there is no indication that it has ever been used in ██████████ nor has the LLC presented the Department with proof of any such use of the Fleetwood in ██████████.

The LLC's sole member is ██████████. He is a resident of Kentucky, files Kentucky income tax returns, and holds a Kentucky motor vehicle operator's license. He transacts all or most of the business relative to the LLC or the Fleetwood from his home in Kentucky. Thus, the LLC's principal place of business was and is in Kentucky.

Based upon the foregoing, the LLC was a resident of Kentucky, not ██████████, and should have registered the Fleetwood in Kentucky and paid MVUT thereon. KRS 138.460(1) and (2); 186.010(1).

In response, ██████████ contends that the Fleetwood was not kept or used in Kentucky. He does acknowledge that it was in Kentucky once, during July, 2011. He has not offered persuasive evidence to support his contention that the Fleetwood is not otherwise kept or operated in Kentucky. Instead, he has provided only his own uncorroborated statements and those of two other individuals. No documentation has been provided to verify or substantiate these statements.

A tax assessment is presumed to be valid and correct, with the burden resting upon the LLC to prove otherwise. See, e.g., Revenue Cabinet v. Gillig, 957 S.W.2d 206, 209-10 (Ky. 1997); Hahn v. Allphin, 282 S.W.2d 824, 825 (Ky. 1955). The LLC has failed to

provide persuasive evidence to overcome the presumption of the assessment's validity and correctness and to carry its burden of proving that the assessment is invalid or incorrect.

As noted above, MOTAX assessments have also been issued to the LLC for 2009, 2010, 2011, 2012 and 2013. Based upon the foregoing, the Fleetwood also had a taxable situs in Kentucky for ad valorem tax purposes during these years and thus should have been listed for ad valorem taxation in Kentucky. See KRS 132.190(1) and (3); 132.220(1); Ky. Const. §§ 3, 170, 172, and 174. The LLC's failure to list or register the Fleetwood or apply for a certificate of title for it rendered it omitted property and thus subject to ad valorem tax assessment as such by the Department. KRS 132.290; 132.310; 132.320. Finally, no complaint has been made as to the fair cash value assigned to the Fleetwood for the years in question by the assessments.

What has been stated above with respect to the MVUT assessment equally applies to these MOTAX assessments. The LLC has failed to back up its contention that the Fleetwood was not used or kept in Kentucky with persuasive evidence. Again, it has provided no documentation to support or substantiate the bare statements of ██████████ and two other individuals.

A penalty has been assessed pursuant to KRS 131.180(2) because the LLC did not pay the MVUT in a timely manner. Penalties have also been assessed pursuant to KRS 132.290(4) because the Fleetwood was not listed for MOTAX purposes by the LLC for any of the tax years in question. The LLC has not offered anything that would show or suggest that these penalties were erroneously assessed or that the LLC should be relieved of liability for these penalties.

Therefore, the outstanding MVUT and the MOTAX assessments in the amount of \$ ██████████ plus applicable interest and penalties are legitimate liabilities of ██████████ LLC due the Commonwealth of Kentucky.

This letter is the final ruling of the 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 40601-3714, 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 3 of 802 KAR 1:010:

1. An individual may represent himself in any proceedings before the Board where his individual tax liability is at issue or he may obtain an attorney to represent him in those proceedings;
2. An individual who is not an attorney may not represent any other individual or legal entity in any proceedings before the Board;
3. Any party appealing a final ruling to the Board other than an individual, such as a corporation, limited liability company, partnership, joint venture, estate or other legal entity, shall be represented by an attorney in all proceedings before the Board, including the filing of the petition of appeal; and
4. An attorney who is not licensed to practice in Kentucky may practice before the Board only 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



E. Jeffrey Mosley  
Interim Executive Director  
Office of Legal Services for Revenue

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED



100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

118

119

120

121

122

123

124

125

126

127

128

129

130

131

132

133

134

135

136

137

138

139

140

141

142

143

144

145

146

147

148

149

150

151

152

153

154

155

156

157

158

159

160

161

162

163

164

165

166

167

168

169

170

171

172

173

174

175

176

177

178

179

180

181

182

183

184

185

186

187

188

189

190

191

192

193

194

195

196

197

198

199

200

201

202

203

204

205

206

207

208

209

210

211

212

213

214

215

216

217

218

219

220

221

222

223

224

225

226

227

228

229

230

231

232

233

234

235

236

237

238

239

240

241

242

243

244

245

246

247

248

249

250

251

252

253

254

255

256

257

258

259

260

261

262

263

264

265

266

267

268

269

270

271

272

273

274

275

276

277

278

279

280

281

282

283

284

285

286

287

288

289

290

291

292

293

294

295

296

297

298

299

300

301

302

303

304

305

306

307

308

309

310

311

312

313

314

315

316

317

318

319

320

321

322

323

324

325

326

327

328

329

330

331

332

333

334

335

336

337

338

339

340

341

342

343

344

345

346

347

348

349

350

351

352

353

354

355

356

357

358

359

360

361

362

363

364

365

366

367

368

369

370

371

372

373

374

375

376

377

378

379

380

381

382

383

384

385

386

387

388

389

390

391

392

393

394

395

396

397

398

399

400

401

402

403

404

405

406

407

408

409

410

411

412

413

414

415

416

417

418

419

420

421

422

423

424

425

426

427

428

429

430

431

432

433

434

435

436

437

438

439

440

441

442

443

444

445

446

447

448

449

450

451

452

453

454

455

456

457

458

459

460

461

462

463

464

465

466

467

468

469

470

471

472

473

474

475

476

477

478

479

480

481

482

483

484

485

486

487

488

489

490

491

492

493

494

495

496

497

498

499

500

501

502

503

504

505

506

507

508

509

510

511

512

513

514

515

516

517

518

519

520

521

522

523

524

525

526

527

528

529

530

531

532

533

534

535

536

537

538

539

540

541

542

543

544

545

546

547

548

549

550

551

552

553

554

555

556

557

558

559

560

561

562

563

564

565

566

567

568

569

570

571

572

573

574

575

576

577

578

579

580

581

582

583

584

585

586

587

588

589

590

591

592

593

594

595

596

597

598

599

600

601

602

603

604

605

606

607

608

609

610

611

612

613

614

615

616

617

618

619

620

621

622

623

624

625

626

627

628

629

630

631

632

633

634

635

636

637

638

639

640

641

642

643

644

645

646

647

648

649

650

651

652

653

654

655

656

657

658

659

660

661

662

663

664

665

666

667

668

669

670

671

672

673

674

675

676

677

678

679

680

681

682

683

684

685

686

687

688

689

690

691

692

693

694

695

696

697

698

699

700

701

702

703

704

705

706

707

708

709

710

711

712

713

714

715

716

717

718

719

720

721

722

723

724

725

726

727

728

729

730

731

732

733

734

735

736

737

738

739

740

741

742

743

744

745

746

747

748

749

750

751

752

753

754

755

756

757

758

759

760

761

762

763

764

765

766

767

768

769

770

771

772

773

774

775

776

777

778

779

780

781

782

783

784

785

786

787

788

789

790

791

792

793

794

795

796

797

798

799

800

801

802

803

804

805

806

807

808

809

810

811

812

813

814

815

816

817

818

819

820

821

822

823

824

825

826

827

828

829

830

831

832

833

834

835

836

837

838

839

840

841

842

843

844

845

846

847

848

849

850

851

852

853

854

855

856

857

858

859

860

861

862

863

864

865

866

867

868

869

870

871

872

873

874

875

876

877

878

879

880

881

882

883

884

885

886

887

888

889

890

891

892

893

894

895

896

897

898

899

900

901

902

903

904

905

906

907

908

909

910

911

912

913

914

915

916

917

918

919

920

921

922

923

924

925

926

927

928

929

930

931

932

933

934

935

936

937

938

939

940

941

942

943

944

945

946

947

948

949

950

951

952

953

954

955

956

957

958

959

960

961

962

963

964

965

966

967

968

969

970

971

972

973

974

975

976

977

978

979

980

981

982

983

984

985

986

987

988

989

990

991

992

993

994

995

996

997

998

999

1000