



**FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE SECRETARY**

Ernie Fletcher
Governor

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John R. Farris
Secretary

In the matter of:

██████████ INC.

Contact: Attn: Controller
██████████ Inc.

FINAL RULING NO. 2006-65
August 30, 2006

Tangible Personal Property Tax Assessment
January 1, 2001 through January 1, 2004

FINAL RULING

The Kentucky Department of Revenue has an outstanding tangible personal property tax assessment against ██████████ Inc. (Taxpayer) for the periods of January 1, 2001 through January 1, 2004 totaling \$██████████, plus applicable interest. A breakdown of the assessment is shown in the chart below:

Tax Year	Tax Due	Interest As of 08-29-2006	Penalty As of 08-29-2006	Total Due As of 08-29-2006
2001	██████████	██████████	██████████	██████████
2002	██████████	██████████	██████████	██████████
2003	██████████	██████████	██████████	██████████
2004	██████████	██████████	██████████	██████████
Totals	\$██████████	\$██████████	\$██████████	\$██████████

██████████ Inc. protested the original audit results based upon the assertion that a refund was due from a vendor offset and bank levy, which resulted from a previous audit. The taxpayer also requested abatement of penalties within the protest.

The taxpayer was sent correspondence dated ██████████, 2006 that informed the taxpayer that the vendor offset was applied to a previous tax assessment. The taxpayer was advised to contact the Division of Collections regarding the bank levy. The taxpayer was notified that the request for abatement of penalties was granted and was sent the amended assessment notices.

On ██████████, 2006, the taxpayer's representative contacted the Department and wanted to discuss the vendor offset and the bank levy. The situation was explained to the taxpayer's representative in detail by two (2) Department representatives. The taxpayer's representative did not understand why penalties from the previous audit assessments were not abated. The taxpayer's representative was informed that the cases for the previous audit were closed and that the Department's representative did not have the authority to abate penalties for assessment notices generated by someone else. The taxpayer's representative communicated that there was a misunderstanding relative to the issue and that the taxpayer is due a refund. The taxpayer's representative was informed that a refund would not be considered on an untimely paid account.

The taxpayer was sent correspondence dated ██████████, 2006. Enclosed with this correspondence were copies of KRS 134.590(2), which indicates that a refund would not be considered on an untimely paid assessment and a schedule detailing the amount of the outstanding assessment. Again, the taxpayer was directed to the Division of Collections regarding the previous audit assessments. The taxpayer was given until March 10, 2006 to submit additional documentation, request a conference, remit payment in full for the outstanding assessment or a final ruling would be issued.

The taxpayer's representative contacted the Department on ██████████, 2006 inquiring as to whether or not there were any provisions in the statutes, which held the officers/owners personally liable for the debts of an organization. During this conversation, the taxpayer's representative also mentioned that the taxpayer was willing to make an offer with Collections to settle the outstanding assessment. Attempts to contact the taxpayer regarding the matters above were unsuccessful. On ██████████, 2006, the taxpayer was sent correspondence addressing the issues of personal liability and a settlement offer. The taxpayer was given until ██████████, 2006 to respond to the correspondence, remit payment for the outstanding assessment in full or a final ruling would be issued.

The taxpayer has not presented an offer to settle nor remitted payment for the outstanding assessment to date.

Therefore, the outstanding tangible personal property tax assessments totaling \$ ██████████ (plus applicable interest) are deemed legitimate liabilities of ██████████ Inc. 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 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.

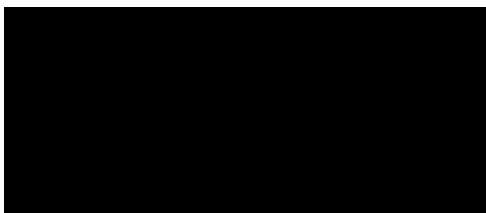
Sincerely,
FINANCE AND ADMINISTRATION CABINET



THOMAS H. BROWN
Director
Division of Protest Resolution

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Cc:



the 'information' and 'communication' fields. The 'information' field is defined as:

...the study of the nature, sources, uses, and management of information, and the study of the communication of information. (p. 11)

The 'communication' field is defined as:

...the study of the nature, sources, uses, and management of communication, and the study of the communication of information. (p. 11)

The 'information science' field is defined as:

...the study of the nature, sources, uses, and management of information, and the study of the communication of information. (p. 11)

The 'information studies' field is defined as:

...the study of the nature, sources, uses, and management of information, and the study of the communication of information. (p. 11)

The 'information technology' field is defined as:

...the study of the nature, sources, uses, and management of information, and the study of the communication of information. (p. 11)

The 'information systems' field is defined as:

...the study of the nature, sources, uses, and management of information, and the study of the communication of information. (p. 11)

The 'information science and technology' field is defined as:

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