



STEVEN L. BESHEAR
Governor

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE

JONATHAN MILLER
Secretary

501 HIGH STREET
FRANKFORT, KENTUCKY 40620
Phone (502) 564-3226
Fax (502) 564-3875
www.kentucky.gov

THOMAS B. MILLER
Commissioner

In the matter of:

██████████ Inc.
Protest of Motor Vehicle
Property Tax

Contact: ██████████

FINAL RULING NO. 2008-37
July 31, 2008

FINAL RULING

The Department of Revenue currently has an outstanding assessment for motor vehicle ad valorem or property taxes in the amount of \$██████████ for a 1996 ██████████ owned by ██████████ Inc. A breakdown of the assessment, including penalty and interest accrued through July 31, 2008 is shown in the chart below:

Assessment Date	Tax	Interest as of 7-31-2008	Penalty	Total Due as of 7-31-2008
January 1, 2002	\$██████████	\$██████████	\$██████████	\$██████████

The Department of Revenue had discovered that the property taxes for the motor vehicle in question had not been assessed or paid for 2002 and accordingly issued ██████████ Inc an omitted assessment referred to above. For the reasons that follow, ██████████ Inc. was properly assessed property tax for this vehicle.

Liability for ad valorem taxes on a motor vehicle is fixed by KRS 134.810(4), which states:

When a motor vehicle has been transferred before registration renewal or before taxes due have been paid, the owner pursuant to KRS 186.010(7)(a) and (c) on January 1 of any year shall be liable for the taxes on the motor vehicle...

Under KRS 186.010(7)(a), the owner of a motor vehicle is defined as “a person who holds legal title of a vehicle or a person who pursuant to a bona fide sale has received physical possession of the vehicle subject to any applicable security interest.”

The assessment in question is presumed to be valid and it is ██████████ Inc.’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). It is undisputed that ██████████ Inc. leased the motor vehicle in question to Kentucky residents (██████████) on ██████████, 2001. No evidence has been presented by ██████████ Inc. that would establish that the vehicle was not located in the state of Kentucky on January 1, 2002, the assessment date.

The only issue that appears to be raised by the ██████████ Inc. is the assertion that the property tax cannot be collected from the Lessee due to the expiration of the lease. The Cabinet has assessed the owner (██████████ Inc.) for the 2002 property tax on this motor vehicle as required by the KRS 132.220.

For the reasons stated above, the assessment in question is valid and a legitimate ad valorem tax liability of ██████████ Inc.

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


Jason Snyder
Executive Director
Legal Services for Revenue

CERTIFIED MAIL
RETURN RECEIPT REQUESTED