



MATTHEW G. BEVIN
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

WILLIAM M. LANDRUM III
Secretary

DANIEL P. BORK
Commissioner

In the matter of:

██████████ and ██████████

Contact:

████████████████████

FINAL RULING NO. 2015-54
December 18, 2015

Unmined Coal Ad Valorem Tax Assessment
for January 1, 2015

FINAL RULING

The Kentucky Department of Revenue (“the DOR”) currently has an outstanding unmined coal ad valorem tax assessment issued to ██████████ and ██████████ (“the Taxpayers”) totaling \$██████████ for the 2015 tax year. Below is the assessment in question, which is made by the DOR pursuant to KRS 132.820:

Account Number	Parcel Identification	DOR Value or Assessment	Estimated Taxes Based on Value
██████████	██████████	\$██████████	\$██████████

At issue is whether the DOR correctly assessed the fair cash value of the unmined coal reserves in question. The Taxpayers protested the assessment set forth above, asserting that the property has little value (\$██████████) because of “geological conditions, being located in a nice neighborhood, lack of ingress and egress to the mountain and the coal seam identified by elevation is located above my property line.” The Taxpayers provided a map showing their residence and neighborhood, evidently to support the position stated above.

The DOR’s position is that the assessment correctly and properly reflects the fair cash value of the unmined coal property or reserves in question as required by law. See KRS 132.820(1); Kentucky Constitution, Section 172. This 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. Houglan & Sons v. McCracken County Board of Supervisors, 306 Ky. 234, 206 S.W.2d 951 (1947). Mineable and merchantable coal is located in Parcel PVA-146-001. This parcel

contains ██████ acres that is part of a larger block of coal with ██████ acres in the ██████ seam, which can be mined. The DOR has in-house aerial photography which refutes the Taxpayers' claim the coal is in the neighborhood. The Taxpayers have not established that this assessment is incorrect.

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 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. In accordance with Supreme Court Rule 3.020, if the appealing party is a corporation, trust, estate, partnership, joint venture, LLC, or any other artificial legal entity, the entity must be represented by an attorney on all matters before the Board, including the filing of the petition of appeal. If the petition of appeal is filed by a non-attorney representative for the legal entity, the appeal will be dismissed by the Board; 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

A handwritten signature in black ink that reads "Doug Dowell". The signature is written in a cursive style with a large, sweeping "D" at the beginning and a long, horizontal stroke at the end.

Attorney Manager
Office of Legal Services for Revenue