



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

Ernie Fletcher
Governor

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John R. Farris
Secretary

In the matter of:

[REDACTED]
Protest of Intangible Property Tax for 2004-2005

Contact:

[REDACTED]

FINAL RULING NO. 2006-82
September 21, 2006

FINAL RULING

The Department of Revenue currently has outstanding assessments for intangible ad valorem or property taxes, including interest and penalties, in the total amount of \$ [REDACTED] for 2004 and 2005 against [REDACTED] ("the taxpayer"). A breakdown of the assessments is shown in the chart below:

Tax Year	Tax Due	Interest As of 09-21-2006	Penalty As of 09-21-2006	Total Due As of 09-21-2006
January 1, 2004	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
January 1, 2005	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Totals	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The Department of Revenue discovered that the ad valorem tax for the intangible property in question had not been properly assessed or paid for 2004 and 2005 and accordingly issued the taxpayer the omitted assessments referred to above. KRS 132.310 and 132.290 require taxation of the omitted property. For the reasons that follow, the taxpayer was properly assessed property tax for this omitted intangible property as prescribed by KRS 132.310 and 132.290.

In accordance with KRS 132.216, [REDACTED] Company reported that it held proceeds of a life insurance policy owed the taxpayer by virtue of her being the beneficiary of that policy. The taxpayer had not listed this property on Intangible Property Tax

Returns for 2004 and 2005. Therefore, the Department issued an assessment for 2004 and 2005 for payment by the taxpayer.

The assessments in question are 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).

The assessments in question are valid and a legitimate ad valorem tax liability of the taxpayer [REDACTED].

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

