



FINANCE AND ADMINISTRATION CABINET

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ERNIE FLETCHER
GOVERNOR

ROBBIE RUDOLPH
SECRETARY

May 10, 2004

In the matter of:

██████████ TRACT - ██████████ COUNTY

Contact: ██████████, Esq.

FINAL RULING NO - 2004-20
May 10, 2004

2003 Unmined Coal Assessment
██████████ Tract
██████████ County

FINAL RULING

The Department of Revenue currently has outstanding assessments for the unmined coal for the following property:

██████████ County

<u>Parcel ID</u>	<u>Owner</u>	<u>KRC Value</u>	<u>Taxpayer Value</u>
██████████ Tract	████████████████████	\$ ██████████	\$ ██████████

At issue is whether the value of \$██████████ assessed by the Department of Revenue for the various mineable seams present within the parcel is the correct determination of the fair cash value of the unmined coal in question.

It is the taxpayer's position that the quantity of mineable coal calculated by its engineer is less than the amounts calculated by the Department personnel. Taxpayer further asserts and calculates the value of the coal within the tract based on a value of sixty cents (\$0.60) per ton in place.

Using the coal seam information provided by the coal lessee in their returns as well as additional coal bore data and maps provided by the lessee during the protest period, together with information obtained from other sources, private and public, the Cabinet determined the amount of mineable coal in the tract.

The mineable coal was then valued using the established market royalty rates for 2003 for ██████████ County of \$██████████ per ton for surface mined coal and \$██████████ per ton for deep mined coal. These rates were determined from the average of the royalty rates listed on unmined coal property tax information returns by owners and lessees.

The unmined coal was valued on the basis of a prudent and knowledgeable operator operating in a normal coal market.

Therefore, it is the position of the Department of Revenue that the unmined coal in question has been properly valued at its fair cash value in accordance with Section 172 of the Kentucky Constitution.

APPEAL

You may appeal this 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 ruling, you must file your complaint or petition of appeal with the Clerk, Kentucky Board of Tax Appeals, 128 Brighton Park Boulevard, Frankfort, Kentucky 40601, within thirty (30) days from the date of this letter. The rules of the Kentucky Board of Tax Appeals, which are set forth in 802 KAR 1:010, require that the complaint or petition of appeal must:

1. Be filed in quintuplicate;
2. Contain a brief statement of the law and facts in issue;
3. State the petitioner's position regarding the law, facts or both; and
4. Include a copy of this final ruling letter with each copy of the complaint or petition.

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:

██████████, Esq.
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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



GEORGE D. RENFRO
Assistant Director
Division of Protest Resolution

CERTIFIED MAIL
RETURN RECEIPT REQUESTED