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LORI HUDSON FLANERY
Secretary

THOMAS B. MILLER
Commissioner

In the matter of:

[REDACTED]

Contact:

[REDACTED]

FINAL RULING NO. 2014-03
January 17, 2014

Unmined Coal Ad Valorem Tax Assessments
As of January 1, 2013

FINAL RULING

The Kentucky Department of Revenue ("DOR") currently has an outstanding unmined coal ad valorem tax assessment or valuation in the amount of \$ [REDACTED] issued to [REDACTED] ("the Taxpayer") for 2013. This assessment is described below and is made pursuant to KRS 132.820:

County	Account Number	Parcel Identification	DOR Value or Assessment	Estimated Property or Ad Valorem Taxes Based on Value
[REDACTED]	[REDACTED]	[REDACTED]	\$ [REDACTED]	\$ [REDACTED]

At issue is whether DOR correctly assessed the fair cash value of the unmined coal reserves in question. The Taxpayer has protested the above assessment, stating that these reserves, which it claimed consisted of only the [REDACTED] and the [REDACTED] seams, were mined out in the 1980s by [REDACTED] Company, which had leased those reserves. (In fact, according to DOR's records, the [REDACTED] seam was mined out by [REDACTED] Company in 1993.) Accordingly, the Taxpayer argues, the reserves have no value.

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); Ky. Const. § 172. The 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. Hougland & Sons v. McCracken County Board of Supervisors, 306 Ky. 234, 206 S.W.2d 951 (1947). Parcel [REDACTED] for which the reserves or mineral rights are owned by the Taxpayer, did indeed contain mineable and merchantable coal or coal reserves as of the January 1, 2013 assessment date. This parcel, referred to as the [REDACTED] seam, contains [REDACTED] acres of unmined coal that lies above and is separate and distinct from both the [REDACTED] and the [REDACTED] seams that the Taxpayer contends were mined out in the 1980s. The Taxpayer has not provided any proof to the contrary or that would otherwise establish that the assessment is incorrect.

Therefore, the unmined coal ad valorem tax assessments are correct and should not be reduced.

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.

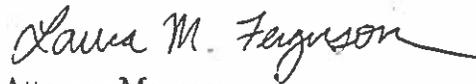
The petition of appeal must be in writing and signed by the petitioner or appellant. Filings by facsimile or other electronic means shall not be accepted.

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



Attorney Manager
Office of Legal Services for Revenue

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

