



FINANCE AND ADMINISTRATION CABINET  
OFFICE OF THE SECRETARY

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John R. Farris  
Secretary

In the matter of:

[REDACTED], INC.

Contact: [REDACTED], Inc.

Attn: [REDACTED]  
[REDACTED]

FINAL RULING NO. 2006-101  
October 17, 2006

Tangible Personal Property Tax Assessments  
January 1, 2001 through January 1, 2004

FINAL RULING

The Kentucky Department of Revenue has outstanding tangible personal property tax assessments against [REDACTED], Inc. ([REDACTED]) for the periods of January 1, 2001 through January 1, 2004 totaling \$[REDACTED] plus applicable interest and penalties. A breakdown of the assessments is shown in the chart below.

Tax Year	Location (County)	Tax Due	Interest As of 10/17/2006	Penalty As of 10/17/2006	Total Due As of 10/17/2006
2001	[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]
2001	[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]
2002	[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]
2002	[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]
2003	[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]
2004	[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]
	<b>TOTALS</b>	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]	\$[REDACTED]

[REDACTED], Inc. protested the tax, interest and penalty assessed for all locations in correspondence dated [REDACTED] 2005. Within that correspondence, an extension was requested in order to prepare an appropriate supporting statement for the protest. An extension was granted, and [REDACTED] was given until [REDACTED], 2006 to submit supporting documentation.

The Department received correspondence dated ██████████, 2006 which suggested that after a dispute was settled with a customer, funds would be available to remit payment for the outstanding assessment due.

According to KRS 131.110(1), a protest must be accompanied by a supporting statement delineating the grounds upon which the protest is made. As a result, the Department sent a second request to submit documentation to support the protest on ██████████, 2006. A deadline of ██████████, 2006 was given in order to comply with the request for supporting documentation, remit payment in full for the outstanding assessment or a final ruling would be issued.

Correspondence was submitted dated ██████████, 2006, indicating that funds were not available to pay the assessment. It was contended within the correspondence that the former president of the corporation, ██████████, was personally liable for the assessment due to the Department. A request for a conference was made in order to discuss the means available to collect the assessment from ██████████.

Correspondence was sent by the Department indicating that the request for a conference was denied and that ██████████, not ██████████ was responsible for the assessment in correspondence dated ██████████, 2006. Pursuant to KRS 132.010, a taxpayer is "any person made liable by law to file a return or pay a tax." The options to either propose an offer of settlement to the Division of Protest Resolution or to negotiate a payment agreement with the Division of Collections were set forth. A deadline of ██████████, 2006 was given in order to indicate which option they would exercise, remit payment for the assessment or a final ruling would be issued. No action has been taken by the taxpayer to date.

Therefore, the outstanding tangible personal property tax assessments totaling \$ ██████████ (plus applicable interest and penalties) are deemed legitimate liabilities of ██████████, Inc. due payable to the Commonwealth of Kentucky.

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;

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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

