

STATE OF INDIANA
Board of Tax Review

In the matter of the Petition for)	
Correction of an Error, Form 133)	Petition No.: 02-073-92-3-7-00045
		02-073-93-3-7-00046
Personal Property		02-073-94-3-7-00047
		02-073-95-3-7-00048

Assessment Years: 1992, 1993, 1994, 1995

Petitioner: Automotive Products, Inc.
4000 Pinnacle Court
Auburn Hills, MI 48236-1754

Petitioner Representative: Ernst & Young
One Indiana Square #3400
Indianapolis IN 46204

Findings of Fact and Conclusions of Law

The Indiana Board of Tax Review (State Board), having reviewed the facts and evidence, and having considered the issues, now makes the following findings of fact and conclusions of law.

Issue

Whether the Petitioner was erroneously assessed for special tools.

Findings of Fact

1. If appropriate, any finding of fact made herein shall also be considered a conclusion of law. Also if appropriate, any conclusion of law made herein shall also be considered a finding of fact.

2. Pursuant to IC 6-1.1-15-12(d), Brad Zimmer for Ernst & Young, LLP, on behalf of Automotive Products, Inc., filed petitions requesting a correction of an error by the State Board for the 1992-1995 tax years. The Forms 133 were filed on March 10, 1997. The County Board of Review's Final Determinations are dated February 24, 1997.

3. Pursuant to IC 6-1.1-15-4, a hearing was scheduled for January 10, 2002 at 1:15 PM. Notice of said hearing (Board Ex. B) was mailed to Automotive Products, Inc., and to Ernst & Young, LLP at the respective addresses listed on the petition and power of attorney. Notice of said hearing was mailed on November 26, 2001.

4. On January 10, 2002, hearing officer Joseph Stanford conducted an administrative hearing on the Form 133 petitions. Neither the Petitioner nor its representative appeared at the hearing.

5. The Petitioner and its representative did not contact the State Board or the hearing officer prior to the scheduled hearing date and did not request a continuance of the hearing.

6. The hearing officer verified that notices of hearing were mailed, with proof of mailing (Board Ex. C). The hearing notice mailed to the Petitioner was returned to the State Board (Board Ex. D). The Petitioner has not notified the State Board of a change of address.

Conclusions of Law

1. The Petitioner is limited to the issues raised in the Form 133 petition filed with the State Board. Ind. Code § 6-1.1-15-1(e) and –3(d). See *also* Form 133 petition requiring the Petitioner to identify the specific error to be corrected. The State Board has the discretion to address any issue once an appeal has been filed by the taxpayer. *Joyce Sportswear Co. v. State Board of Tax Commissioners*, 684 N.E. 2d 1189, 1191 (Ind. Tax 1997). In this appeal, such discretion will not be exercised and the Petitioner is limited to the issues raised in the Form 133 petition filed with the State Board.

2. The State Board is the proper body to hear an appeal of the action of the County pursuant to Ind. Code § 6-1.1-15-3.

A. Burden

3. Ind. Code § 6-1.1-15-3 requires the State Board to review the actions of the PTABOA, but does not require the State Board to review the initial assessment or undertake reassessment of the property. The State Board has the ability to decide the administrative appeal based upon the evidence presented and to limit its review to the issues the taxpayer presents. *Whitley Products, Inc. v. State Board of Tax Commissioners*, 704 N.E. 2d 1113, 1118 (Ind. Tax 1998) (citing *North Park Cinemas, Inc. v. State Board of Tax Commissioners*, 689 N.E. 2d 765, 769 (Ind. Tax 1997)).

4. In reviewing the actions of the PTABOA, the State Board is entitled to presume that its actions are correct. “Indeed, if administrative agencies were not entitled to presume that the actions of other administrative agencies were in accordance with Indiana law, there would be a wasteful duplication of effort in the work assigned to agencies.” *Bell v. State Board of Tax Commissioners*, 651 N.E. 2d 816, 820 (Ind. Tax 1995). The taxpayer must overcome that presumption of correctness to prevail in the appeal.

5. It is a fundamental principle of administrative law that the burden of proof is on the person petitioning the agency for relief. 2 Charles H. Koch, Jr., *Administrative Law and Practice*, § 5.51; 73 C.J.S. Public Administrative Law and Procedure, § 128. See also Ind. Code § 4-21.5-2-4(a)(10) (Though the State Board is exempted from the Indiana Administrative Orders & Procedures Act, it is cited for the proposition that Indiana follows the customary common law rule regarding burden).
6. Taxpayers are expected to make factual presentations to the State Board regarding alleged errors in assessment. *Whitley*, 704 N.E. 2d at 1119. These presentations should both outline the alleged errors and support the allegations with evidence. "Allegations, unsupported by factual evidence, remain mere allegations." *Id* (citing *Herb v. State Board of Tax Commissioners*, 656 N.E. 2d. 890, 893 (Ind. Tax 1995)). The State Board is not required to give weight to evidence that is not probative of the errors the taxpayer alleges. *Whitley*, 704 N.E. 2d at 1119 (citing *Clark v. State Board of Tax Commissioners*, 694 N.E. 2d 1230, 1239, n. 13 (Ind. Tax 1998)).
7. The taxpayer's burden in the State Board's administrative proceedings is two-fold: (1) the taxpayer must identify properties that are similarly situated to the contested property, and (2) the taxpayer must establish disparate treatment between the contested property and other similarly situated properties. In this way, the taxpayer properly frames the inquiry as to "whether the system prescribed by statute and regulations was properly applied to individual assessments." *Town of St. John V*, 702 N.E. 2d at 1040.
8. The taxpayer is required to meet his burden of proof at the State administrative level for two reasons. First, the State Board is an impartial adjudicator, and relieving the taxpayer of his burden of proof would place the State Board in the untenable position of making the taxpayer's case for him. Second, requiring the

taxpayer to meet his burden in the administrative adjudication conserves resources.

9. To meet his burden, the taxpayer must present probative evidence in order to make a prima facie case. In order to establish a prima facie case, the taxpayer must introduce evidence “sufficient to establish a given fact and which if not contradicted will remain sufficient.” *Clark*, 694 N.E. 2d at 1233; *GTE North, Inc. v. State Board of Tax Commissioners*, 634 N.E. 2d 882, 887 (Ind. Tax 1994).
10. In the event a taxpayer sustains his burden, the burden then shifts to the local taxing officials to rebut the taxpayer’s evidence and justify its decision with substantial evidence.² *Charles H. Koch, Jr.* at §5.1; 73 C.J.S. at § 128. See *Whitley*, 704 N.E. 2d at 1119 (The substantial evidence requirement for a taxpayer challenging a State Board determination at the Tax Court level is not “triggered” if the taxpayer does not present any probative evidence concerning the error raised. Accordingly, the Tax Court will not reverse the State Board’s final determination even though the taxpayer demonstrates flaws in it).
11. The Form 133 petitions are denied for the failure of the taxpayer to notify the State Board of a change of address, and for the failure of the taxpayer or its representative to appear at the administrative hearing and present evidence in support of the alleged errors of assessment.

Issued this ____ day of _____, 2002
by the Indiana Board of Tax Review

Annette Biesecker, Chairman