

REPRESENTATIVES FOR PETITIONER:

Matthew M. Adolay, Wooden & McLaughlin, LLP  
Samuel J. Arena, Wooden & McLaughlin, LLP

REPRESENTATIVE FOR RESPONDENT:

Dustin D. Huddleston, Huddleston & Huddleston

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**BEFORE THE  
INDIANA BOARD OF TAX REVIEW**

National Federation of Music Clubs, )	Petition No.: 41-041-09-2-8-00008
)	
Petitioner, )	Parcel No.: 41-03-36-033-056.000-041
)	
v. )	
)	
Johnson County Assessor, )	County: Johnson
)	
Respondent. )	Assessment Year: 2009
)	

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Appeal from the Final Determination of the  
Johnson County Property Tax Assessment Board of Appeals

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**June 1, 2011**

**FINAL DETERMINATION**

The Indiana Board of Tax Review (Board) having reviewed the facts and evidence, and having considered the issues, now finds and concludes the following.

## **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

### **ISSUE**

1. The issue presented for consideration by the Board is whether the Petitioner's real estate is exempt from taxation pursuant to Indiana Code § 6-1.1-10-16(a) and § 6-1.1-10-36.3(a).

### **PROCEDURAL HISTORY**

2. The National Federation of Music Clubs (NFMC) filed a Form 136 Application for Property Tax Exemption with the Johnson County Property Tax Assessment Board of Appeals (PTABOA) on May 15, 2009. The Johnson County PTABOA issued its determination denying the exemption on November 24, 2009. On December 28, 2009, NFMC filed a Form 132, Petition for Review of Exemption, petitioning the Board to conduct an administrative review of the above petition.

### **HEARING FACTS AND OTHER MATTERS OF RECORD**

3. Pursuant to Indiana Code § 6-1.1-15-4, Carol Comer, the duly designated Administrative Law Judge authorized by the Board under Indiana Code § 6-1.5-3-3 and § 6-1.5-5-2, held a hearing on March 15, 2011, in Franklin, Indiana.
4. The following persons were sworn as witnesses at the hearing:

For the Petitioner:

Lana M. Bailey, President, NFMC  
Jennifer Griffin, Administrative Manager, NFMC

For the Respondent:<sup>1</sup>

Mark Alexander, Johnson County Assessor  
Vickie Broshears, Johnson County Deputy Assessor

5. The Petitioner submitted the following exhibits:

Petitioner Exhibit 1 – Bylaws of NFMC,  
Petitioner Exhibit 2 – NFMC financial statements ending June 30, 2008,  
Petitioner Exhibit 3 – NFMC financial statements ending June 30, 2009,  
Petitioner Exhibit 4 – NFMC financial statements ending June 30, 2010,  
Petitioner Exhibit 5 – Overview of NFMC Outreach,  
Petitioner Exhibit 6 – Letter from the Internal Revenue Service (IRS) to  
NFMC, dated January 26, 1996,  
Petitioner Exhibit 7 – Letter from the IRS to NFMC, dated September 9, 1999,  
Petitioner Exhibit 8 – NFMC Congressional Charter, 36 USCS prec. § 151501,  
Petitioner Exhibit 9 – NFMC competitions and awards chart for 2009 and  
2010,  
Petitioner Exhibit 10 – NFMC Certificate of Incorporation from the State of  
Illinois,  
Petitioner Exhibit 11 – NFMC Certificate of Admission from the State of  
Indiana.

6. The Respondent submitted the following exhibit:

Respondent Exhibit A – Application for Property Tax Exemption – Form 136,  
Respondent Exhibit B – Notice of Action on Exemption Application – Form  
120,  
Respondent Exhibit C – Petition to the Indiana Board of Tax Review for Review  
of Exemption – Form 132,

7. The following additional items are officially recognized as part of the record of the proceedings and labeled Board Exhibits:

Board Exhibit A – Form 132 petition with attachments,  
Board Exhibit B – Notice of Hearing on Petition, dated July 9, 2010,  
Board Exhibit C – Hearing sign-in sheet.

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<sup>1</sup> Mr. Alexander was sworn as a witness but did not present any testimony at the hearing. Mr. Mike Watkins, a Local Government Representative for Johnson County, was also in attendance but was not sworn in as a witness to give testimony.

8. The Petitioner submitted its proposed “Findings of Facts and Conclusions of Law” on April 12, 2011, (the Petitioner Findings), and the Respondent submitted its proposed “Findings of Facts and Conclusions of Law” on April 13, 2011, (the Respondent Findings).
9. The property under appeal is a 5,058 sq. ft. commercial building located at 1646 Smith Valley Road, Greenwood, in White River Township, Johnson County.
10. The ALJ did not conduct an on-site inspection of the property.
11. For 2009, the PTABOA determined the Petitioner’s real property to be 100% taxable.
12. For 2009, the Petitioner contends its real property should be 100% tax-exempt.

#### **JURISDICTIONAL FRAMEWORK**

13. The Board is charged with conducting an impartial review of all appeals concerning the assessed valuation of tangible property, property tax deductions, and property tax exemptions that are made from a determination by an assessing official or a county property tax assessment board of appeals to the Board under any law. Ind. Code § 6-1.5-4-1(a). All such appeals are conducted under Indiana Code § 6-1.1-15. *See* Ind. Code § 6-1.5-4-1(b); Ind. Code § 6-1.1-15-4.

#### **ADMINISTRATIVE REVIEW AND PETITIONER’S BURDEN**

14. A Petitioner seeking review of a determination of an assessing official has the burden to establish a prima facie case proving that the current assessment is incorrect, and specifically what the correct assessment would be. *See Meridian Towers East & West v.*

*Washington Township Assessor*, 805 N.E.2d 475, 478 (Ind. Tax Ct. 2003); *see also Clark v. State Board of Tax Commissioners*, 694 N.E.2d 1230 (Ind. Tax Ct. 1998).

15. In making its case, the taxpayer must explain how each piece of evidence is relevant to the requested assessment. *See Indianapolis Racquet Club, Inc. v. Washington Township Assessor*, 802 N.E.2d 1018, 1022 (Ind. Tax Ct. 2004) (“[I]t is the taxpayer’s duty to walk the Indiana Board ... through every element of the analysis”).
16. Once the Petitioner establishes a prima facie case, the burden shifts to the assessing official to rebut the Petitioner’s evidence. *See American United Life Ins. Co. v. Maley*, 803 N.E.2d 276 (Ind. Tax Ct. 2004). The assessing official must offer evidence that impeaches or rebuts the Petitioner’s case. *Id.*; *Meridian Towers*, 805 N.E.2d at 479.

#### **BASIS OF EXEMPTION AND BURDEN**

17. The general rule is that all property is subject to taxation. Ind. Code § 6-1-1-2-1. The General Assembly may exempt property used for municipal, educational, literary, scientific, religious, or charitable purposes from property taxation. Ind. Const., Art. 10, § 1. This provision is not self-enacting. The General Assembly must enact legislation granting an exemption.
18. All property receives protection, security, and services from the government, such as fire and police protection, and public schools. These governmental services carry with them a corresponding obligation of pecuniary support in the form of taxation. When property is exempt from taxation, the effect is to shift the amount of taxes a property would have paid to other parcels that are not exempt. *See generally, National Association of Miniature Enthusiasts v. State Board of Tax Commissioners*, 671 N.E.2d 218 (Ind. Tax Ct. 1996).

19. Worthwhile activity or noble purpose alone is not enough. An exemption is justified because it helps accomplish some public purpose. *Miniature Enthusiasts*, 671 N.E.2d at 220 (citing *Foursquare Tabernacle Church of God in Christ v. State Board of Tax Commissioners*, 550 N.E.2d 850, 854 (Ind. Tax Ct. 1990)).
20. The taxpayer seeking exemption bears the burden of proving that the property is entitled to the exemption by showing that the property falls specifically within the statutory authority for the exemption. *Indianapolis Osteopathic Hospital, Inc. v. Department of Local Government Finance*, 818 N.E.2d 1009 (Ind. Tax Ct. 2004); *Monarch Steel v. State Board of Tax Commissioners*, 611 N.E.2d 708, 714 (Ind. Tax Ct. 1993); *Indiana Association of Seventh Day Adventists v. State Board of Tax Commissioners*, 512 N.E.2d 936, 938 (Ind. Tax Ct. 1987).

#### **PETITIONER'S CONTENTIONS**

21. The Petitioner's counsel contends that the Petitioner's real property should be 100% exempt from property taxation under Indiana Code § 6-1.1-10-16. *Adolay argument*. According to Mr. Adolay, the Petitioner's property is owned, occupied and used for a charitable purpose. *Id.*
22. NFMC was founded on February 28, 1898. *Petitioner Exhibit 10*. It is an Illinois not-for-profit corporation that was granted a Certificate of Admission to conduct business in Indiana on June 4, 1980. *Adolay argument; Petitioner Exhibits 10 and 11*. According to the Petitioner's exhibits, NFMC is exempt under 501(c)(3) and 509 (a)(2) of the Internal Revenue Code. *Petitioner Exhibits 6 and 7*. The president of the NFMC, Ms. Bailey, further testified that NFMC is recognized as a Congressional Charter corporation. *Bailey testimony; Petitioner Exhibit 8*. According to Ms. Bailey, NFMC operates under the restrictions that (1) the organization may not issue stock or declare or pay a dividend; (2) the income or assets of the corporation may not inure to the benefit of, or be distributed

to, a director, officer or member during the life of the charter; and (3) the organization has a duty to maintain its corporate and tax exempt status. *Id.*

23. Ms. Bailey testified that the mission of the organization is to enhance music education in the community and to develop self confidence and leadership in individuals through music. *Bailey testimony.* Similarly, the Petitioner's Bylaws state that NFMC's mission is

to bring into working relations with one another, music clubs and other music organizations and individuals directly or indirectly associated with music activity for the purpose of developing and maintaining high musical standards; and aiding and encouraging music education; and the promotion of American music and musicians throughout America and other countries.

*Petitioner Exhibit 1.* In furtherance of its mission, Ms. Bailey testified, the NFMC conducts festivals, hosts competitions and awards prizes and scholarships to reward the recipients' work and to encourage them to continue their education. *Bailey testimony; Petitioner Exhibits 5 and 9.* According to Ms. Bailey, there are organizations in 46 states and approximately 150,000 teachers, individuals and students are involved in the NFMC. *Bailey testimony.*

24. Ms. Bailey testified that the NFMC's awards, prizes and scholarships are funded by the interest income earned on 111 endowment funds. *Bailey testimony; Petitioner Exhibits 2, 3 and 4.* According to Ms. Bailey, each endowment represents a specific award as determined by the donor. *Id.* A few examples of the awards given by NFMC are the Mary Alice Cox Double Bass/Cello Award, the Wendell Irish Viola Award, the Angie Greer Music in Poetry, the Music for the Blind scholarship, the Walsh Disability Award, the Vivian Menees Nelson Award for the Disabled & Visually Impaired, Four Biennial Young Artist Awards, Summer Music Center Awards and University Awards. *Bailey testimony; Petitioner Exhibits 5 and 9.* The NFMC also contributes to special projects through its "Fund for the Advancement of the Musical Arts" (FAMA). *Bailey testimony.* In 2010, FAMA helped to underwrite the Peakharmonic Youth Orchestra in Colorado, an opera production in the District of Columbia, a Fine Arts Vocal Camp in Arkansas, and a Lending Library for Suzuki String Students in Florida. *Bailey testimony; Petitioner*

*Exhibit 5.* Ms. Bailey testified at the national level the NFMC awarded a total of \$130,305 in 2009 and \$52,445 in 2010 – the difference in amounts is attributable to the fact that many awards are biennial. *Bailey testimony.* Further, Ms. Bailey testified that between the state and national organizations, the NFMC awarded \$750,000 in prizes and scholarships over the past two years. *Id.*

25. In addition, Ms. Bailey testified that NFMC members provide volunteer services to the community. *Bailey testimony.* While Ms. Bailey only had information from thirteen of NFMC's 46 state chapters, she testified that in those thirteen states, 742 NFMC senior club members volunteered 16,785 hours in musical performances in nursing homes, assisted living facilities, disabled children's homes, hospitals, prisons and for homebound persons. *Bailey testimony; Petitioner Exhibit 5.* The NFMC also sent musical instruments and sheet music to disaster victims abroad and to the victims of Hurricane Katrina in New Orleans. *Bailey testimony.* Finally, Ms. Bailey testified, NFMC is the only musical organization that is a non-governmental organization (NGO) member of the United Nations.<sup>2</sup> *Id.*
26. In response to questions, Ms. Bailey testified that she is a resident of Virginia and that she does not have an office at the NFMC's property in Greenwood. *Bailey testimony.*
27. The administrative manager, Ms. Griffin, testified that she and her two employees are in charge of maintaining the building and grounds that are the subject of this appeal. *Griffin testimony.* In addition, she testified, the offices are used to store the bylaws and regulations of the organization and staff members assist potential new members and current members seeking information. *Griffin testimony.* Further, Ms. Griffin testified, her job responsibilities include maintaining the NFMC website. *Id.* According to Ms. Griffin, the website offers the organization's history, information on all awards and scholarships available through the organization and applications that can be downloaded by applicants. *Id.* Further, staff members mail out brochures to colleges and potential

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<sup>2</sup> Ms. Bailey testified that the NFMC donated a Steinway piano to the United Nations in the mid-70's and refurbished the piano in the 90's. *Bailey testimony.*



members from the subject property and newsletters and magazines are mailed to the organization's members. *Id.* Information is also hand delivered to schools informing them of awards, prizes and scholarships available. *Id.*

28. Ms. Griffin further testified that the membership fees to join the organization are minimal. *Griffin testimony.* For example, Ms. Griffin testified, the membership fee for the average junior club with twenty members is only 70 cents per child – or about \$14 a year. *Id.* Moreover, the Petitioner's property has a dedicated recital hall from which clubs can showcase their members' talents or give out awards to their students. *Id.* According to Ms. Griffin, the members do not pay any rent to use the recital hall and are restricted from charging an admission fee to their programs.<sup>3</sup> *Id.* In fact, Ms. Griffin testified that no income generating events are conducted at the property. *Id.*
29. The Petitioner argues that its organization was exempt in its previous location and should therefore be exempt in its present location. *Adolay argument.* According to Ms. Griffin, NFMC's office was located in Marion County prior to moving to Johnson County on February 19, 2009. *Griffin testimony; Petitioner Findings at 5.* Ms. Griffin testified that Marion County granted the property a tax exemption; whereas Johnson County denied the exemption even though the office duties and function have not changed. *Id.*
30. Finally, the Petitioner's counsel argues that Indiana case law recognizes that addressing human want through a charitable act that differs from man's everyday purpose and activities is an exempt purpose. *Adolay argument.* The Petitioner's counsel concludes that the Petitioner's purpose of providing awards, scholarships and prizes to encourage the study of music and preserve and further musical arts without an expectation of receiving anything in return is charitable. *Id.; citing Plainfield Elks Lodge at 733 N.E.2d 32, 34; Knox County Property Tax Assessment Board of Appeals v. Grandview Care, Inc. 826 N.E.2d 177, 182 (Ind. Tax Ct. 2005); and College Corner, L.P. v. Department of*

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<sup>3</sup> Mr. Adolay admitted that incidental fees such as janitorial costs and staff overtime may be charged to members for the use of the recital hall, but he argues the fees only defray the organization's expenses. *Adolay argument.* According to Mr. Adolay, the Tax Court has ruled that charging a fee to defray expenses does not render a property taxable. *Id.; citing Plainfield Elks Lodge v. State Board of Tax Commissioners, 733 N.E.2d 32, 34 (Ind. Tax Court 2000).*

*Local Government Finance*, 840 N.E.2d 905, 908 (Ind. Tax Ct. 2006). Based on these cases, Mr. Adolay argues, the Petitioner’s property is owned, occupied and used for charitable purposes. *Adolay argument*.

### **RESPONDENT’S CONTENTIONS**

31. The Respondent’s counsel argues that the Petitioner should be denied an exemption under Indiana Code § 6-1.1-10-16 because NFMC has not shown it is engaged in any charitable activities at the subject property. *Huddleston argument*. Mr. Huddleston contends that the Petitioner’s evidence focuses on the mission of the NFMC organization and the awards, scholarship and prizes awarded outside the State of Indiana. *Huddleston argument; Respondent Findings at 13*. According to Mr. Huddleston, the Petitioner’s property is used for “record keeping and administrative purposes” but NFMC failed to show its property is predominately used for any exempt purpose. *Id.; Respondent Findings at 12*.
32. The Respondent’s counsel also argues that the Petitioner failed to provide information as to the specific use of the building, the dimensions of the rooms, who occupies the rooms, what each room is used for and the number of hours each room was used for a charitable purpose in 2009. *Huddleston argument; Respondent Findings at 13*. The Respondent’s witness, Ms. Broshears, testified that the Petitioner described the rooms within the building on its Form 136 application, but the Petitioner failed to give a detailed description of the use of each room. *Broshears testimony; Respondent Exhibit A*. Mr. Huddleston argues that the Petitioner’s evidence was merely anecdotal type information, which lacked a detailed description of the usage of the Petitioner’s property. *Huddleston argument; Respondent Findings at 12, citing State Board of Tax Commissioners v. New Castle Lodge #147, Loyal Order of Moose, Inc.*, 765 N.E.2d 1257 (Ind. 2002).
33. Further, Mr. Huddleston argues that NFMC’s recognition as a charitable entity by the IRS does not automatically deem their acts as charitable under Indiana Code § 6-1.1-10-

16. *Huddleston argument; citing Lincoln Hills Development Corporation v. State Board of Tax Commissioners*, 521 N.E.2d 1360 (Ind. Tax Ct. 1988).

34. Finally, Mr. Huddleston argues that the Petitioner failed to offer any evidence identifying its personal property located at the building or describe the use of any such personal property. *Huddleston argument*. Therefore, he argues, a charitable use exemption on any personal property can not be granted. *Id.*; *Respondent Finding at 14; citing Correctional Management Company, LLC. v. Howard County Assessor*, Petition Nos. 34-002-07-2-8-00001 and 34-002-07-2-8-00002 (April 13, 2010).

#### ANALYSIS OF THE ISSUE

35. Indiana Code § 6-1.1-10-16(a) provides that “All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.” Further, “a tract of land ... is exempt from property taxation if: (1) a building that is exempt under subsection (a) or (b) is situated on it; [or] (2) a parking lot or structure that serves a building referred to in subdivision (1) is situated on it.” Ind. Code § 6-1.1-10-16(a). An exemption requires probative evidence that a property is owned, occupied, and used for an exempt purpose. *Knox County Property Tax Assessment Board of Appeals v. Grandview Care, Inc.*, 826 N.E.2d 177, 183 (Ind. Tax Ct. 2005). Once these three elements are met, the property can be exempt from property taxation. *Id.*
36. Exemption statutes are strictly construed against the taxpayer. *See New Castle Lodge #147, Loyal Order of Moose, Inc. v. State Bd. of Tax Comm’rs.*, 733 N.E.2d 36,38 (Ind. Tax Ct. 2000). The taxpayer bears the burden of proving that it is entitled to the exemption it seeks. *Id.* Despite this, the term “charitable purpose” is to be defined and understood in its broadest constitutional sense. *Knox County Property Tax Assessment Board of Appeals*, 826 N.E.2d at 182 (citing *Indianapolis Elks Bldg. v. State Bd. of Tax Comm’rs.*, 251 N.E.2d 673, 682 (1969)). A charitable purpose will generally be found to exist if: (1) there is evidence of relief of human want manifested by obviously charitable

acts different from the everyday purposes and activities of man in general; and (2) there is an expectation that a benefit will inure to the general public sufficient to justify the loss of tax revenue. *College Corner, L.P. v. Department of Local Government Finance*, 840 N.E.2d 905, 908 (Ind. Tax Ct. 2006).

37. The test used to determine whether all or a portion of a property qualifies for an exemption is the “predominant use” test. *State Bd. of Tax Comm’rs. v. New Castle Lodge #147, Loyal Order of Moose, Inc.*, 765 N.E.2d 1257, 1259 (Ind. 2002). Indiana Code § 6-1.1-10-36.3(a) states that “property is predominantly used or occupied for one (1) or more stated purposes if it is used or occupied for one (1) or more of those purposes during more than fifty percent (50%) of the time that it is used or occupied in the year that ends on the assessment date of the property.” Indiana Code § 6-1.1-10-36.3(c) further provides that “[p]roperty that is predominantly used or occupied for one (1) or more of the stated purposes by a person other than a church, religious society, or not-for-profit school is exempt under that section from property tax on the part of the assessment of the property that bears the same proportion to the total assessment of the property as the amount of time that the property was used or occupied for one (1) or more of the stated purposes during the year that ends on the assessment date of the property bears to the amount of time that the property was used or occupied for any purpose during that year.” Ind. Code § 6-1.1-10-36.3(c)(3).
38. “The evaluation of whether property is owned, occupied, and predominately used for an exempt purpose,” however, “is a fact sensitive inquiry; there are no bright-line tests.” *Jamestown Homes of Mishawaka, Inc. v. St. Joseph County Assessor*, 914 N.E.2d 13 (Ind. Tax Ct. 2009). Thus every exemption case “stand[s] on its own facts” and on how the parties present those facts. *See Indianapolis Osteopathic Hospital., Inc.*, 818 N.E.2d 1009, 1018 (Ind. Tax Ct. 2004); and *Long v. Wayne Twp. Assessor*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005) (explaining that a taxpayer has a duty to walk the Indiana Board through every element of its analysis; it cannot assume the evidence speaks for itself).

39. Here, the Petitioner is a non-profit organization whose purpose is to enhance music education in the community and to develop self confidence and leadership in individuals through music. According to the Petitioner's Bylaws, NFMC's mission is "to bring into working relations with one another, music clubs and other music organizations and individuals directly or indirectly associated with music activity for the purpose of developing and maintaining high musical standards; and aiding and encouraging music education; and the promotion of American music and musicians throughout America and other countries." In furtherance of that mission, the NFMC conducts festivals, hosts competitions and awards prizes and scholarships to reward the recipients' work and to encourage them to continue their education.
40. The evidence further shows that the Petitioner used the subject property in 2009 and 2010 to further the purposes identified in its bylaws. NFMC allows its members to use the property for musical recitals, thereby aiding and encouraging music education. Ms. Griffin and her staff also maintain the NFMC website, which offers the organization's history, information on all of the awards and scholarships available through the organization, and applications that can be downloaded by applicants. The office staff also mails out brochures to colleges and potential members. Moreover, the staff hand delivers information to schools informing them of competitions, awards, prizes and scholarships. Finally, the organization's newsletter and magazine are mailed from the NFMC office to its members.
41. Charity is broadly defined as a gift for, or institution engaged in, public benevolent purposes. *Raintree Friends Housing, Inc. v. Indiana Dept. of State Revenue*, 667 N.E.2d 810, 813 (Ind. Tax Ct. 1996). Charity is an attempt in good faith, spiritually, physically, intellectually, socially and economically to advance and benefit mankind in general, or those in need of advancement and benefit in particular. *Id. at 814*. The Indiana Tax Court has acknowledged that the term "charity" can, and should, include more than traditional "giving to the poor." *College Corner at 909*. Because NFMC is devoted to supporting and promoting the arts and the Petitioner's office is used to further the Petitioner's charitable purpose and is used for no other purpose, the Board finds that the

Petitioner established a prima facie case that its real property was entitled to a 100% exemption for the March 1, 2009, assessment year.<sup>4</sup>

42. Once the Petitioner establishes a prima facie case that its property is entitled to an exemption, the burden shifts to the assessing official to rebut the Petitioner's case. *See American United Life v. Maley*, 803 N.E.2d 276 (Ind. Tax Ct. 2004). Here the Respondent's counsel argues that, to the extent that the Petitioner's activities are "charitable," all the Petitioner's charitable activities occur in other states. For example, the scholarships and prizes were awarded to recipients located outside of the state of Indiana. Further, the adjudicators who granted the awards did not work or perform any activities on the property at issue in this appeal. However, the Board is not aware of any requirement that an organization's "charity" must be directed specifically to the residents of this state. Nor did the Respondent's counsel direct the Board to any authority that would limit the charitable exemption in that manner.
  
43. Similarly, the Respondent's counsel argues that the NFMC used its property only for "record keeping and administrative purposes" which does not qualify as a charitable purpose. In *LeSea Broadcasting Corporation v. State Board of Tax Commissioner*, 525 N.E.2d 637 (Ind. Tax Ct. 1988) the Tax Court held that the standard to be applied in determining whether particular activities or use of a property qualifies for exemption is whether the activity or use is "reasonably necessary" for the maintenance or effective welfare of the organization's charitable purpose. *Id.* at 637. Also in *Alte Salems Kirche, Inc. v. State Board of Tax Commissioners*, 733 N.E.2d 40 (Ind. Tax Ct. 2000) the Indiana Tax Court determined that a "mobile home played a large role in reducing vandalism of the property because it maintained a human presence on the property." Therefore, the court found that the mobile home residence was "reasonably necessary" to further the

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<sup>4</sup> The Respondent's counsel argues that the Petitioner failed to present any evidence on its personal property and therefore such property would not be tax exempt. *Huddleston testimony*. However, while the Petitioner's Form 136 states that the Petitioner's personal property should be 100% exempt, the Petitioner failed to identify the personal property assessment at issue. *Board Exhibit A*. Further, the Form 120 addresses only the Petitioner's land and improvements. *Id.* Similarly, the Petitioner's Petition to the Board only seeks an exemption for its real property. *Id.* The Board finds that the Petitioner did not seek an exemption on its personal property and therefore makes no ruling on the exempt status of the Petitioner's personal property.

purpose and use of the balance of the property, which was itself exempt. *Id.* at 44. Similar to the facts in *LeSea Broadcasting Corporation* and *Alte Salem Kirche*, the Board finds that the record keeping and information dissemination performed at the NFMC office are reasonably necessary to maintain the operation of the organization's charitable purpose.

#### SUMMARY OF FINAL DETERMINATION

44. The Petitioner established a prima facie case that its land and improvements qualify for a charitable exemption for the March 1, 2009, assessment. The Respondent failed to rebut or impeach this evidence. The Board therefore finds in favor of the Petitioner and holds that the real property at issue in this appeal is 100% exempt.

The Final Determination of the above captioned matter is issued by the Indiana Board of Tax Review on the date written above.

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Chairman,  
Indiana Board of Tax Review

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Commissioner,  
Indiana Board of Tax Review

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Commissioner,  
Indiana Board of Tax Review

## IMPORTANT NOTICE

- APPEAL RIGHTS -

**You may petition for judicial review of this final determination pursuant to the provisions of Indiana Code § 6-1.1-15-5 as amended effective July 1, 2007, by P.L. 219-2007, and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required within forty-five (45) days of the date of this notice.**

**The Tax Court Rules are available on the Internet at**

**<http://www.in.gov/judiciary/rules/tax/index.html>. The Indiana Code is available on the**

**Internet at <http://www.in.gov/legislative/bills/2007/SE0287.1.html>.**