

**INDIANA BOARD OF TAX REVIEW**  
**Small Claims**  
**Final Determination**  
**Findings and Conclusions**

**Petition:** 84-013-12-1-5-00002  
**Petitioner:** Gregory A. Seger  
**Respondent:** Vigo County Assessor  
**Parcel:** 84-02-24-281-011.000-013  
**Assessment Year:** 2012

The Indiana Board of Tax Review (the “Board”) issues this determination in the above matter, finding and concluding as follows:

**PROCEDURAL HISTORY**

1. Gregory A. Seger (the “Petitioner”) initiated the assessment appeal with the Vigo County Property Tax Assessment Board of Appeals (the “PTABOA”) by filing a Form 130 on February 07, 2013.
2. The Petitioner filed with the Board due to the PTABOA’s failure to hold a hearing within 180 days of the filing of Petitioner’s Form 130.
3. The Petitioner appealed to the Board by filing a Form 131 Petition for Review of Assessment on August 30, 2013.
4. The Petitioner elected to have the administrative hearing conducted under the Board’s small claims procedures. The Respondent did not elect to have the proceeding removed from the Board’s small claims procedures.
5. Paul Stultz, the Board’s appointed Administrative Law Judge (the “ALJ”), held the administrative hearing on August 22, 2014. The ALJ did not inspect the subject property.
6. The Petitioner appeared pro se. Susan McCarty, Chief Deputy for the Vigo County Assessor, represented the Vigo County Assessor (the “Respondent”). Mr. Seger and Ms. McCarty were sworn in as witnesses and testified under oath.

**FACTS**

7. The subject property is a residential duplex located at 4219 East 77<sup>th</sup> Avenue in Terre Haute.
8. The 2012 assessed value for the land is \$22,500, and the assessed value for the improvements is \$32,000, for a total assessed value of \$54,500.

## RECORD

9. The official record for this matter contains the following:
- a. A digital recording of the hearing
  - b. Petitioner Exhibit 0: Selection of Indiana Code Sections  
Petitioner Exhibit 1: Five comparable properties presented by Respondent  
Petitioner Exhibit 2: Department of Local Government Finance (“DLGF”) and Board Memorandum dated August 24, 2007  
Petitioner Exhibit 3: Comparable sales to compute the Gross Income Multiplier (“GIM”)  
Petitioner Exhibit 4: Lowest comparable property  
Petitioner Exhibit 5: Board’s Final Determination in *Bernie’s Place LLC, B. Edward Ewing v. Dubois County Assessor* issued December 21, 2011 (“*Bernie’s Place*”)  
Petitioner Exhibit 6: Worksheet computing multiplier to annual income  
Petitioner Exhibit 7: Gross rent comparisons explanation of color code  
Petitioner Exhibit 8: Comparisons used and not used  
  
Respondent Exhibit 1: Property Record Card (“PRC”) for subject property  
Respondent Exhibit 2: GIS 2012 parcel view  
Respondent Exhibit 3: International Association of Assessing Officers (“IAAO”) GIM definition/formula  
Respondent Exhibit 4: IncomeWorks sales used for GIM  
Respondent Exhibit 5: IncomeWorks Evaluation Report  
Respondent Exhibit 6: Seger income turned into Assessor’s Office  
Respondent Exhibit 7: Ten comparable properties for income approach  
Respondent Exhibit 8: Association of Indiana Counties (“AIC”) Fair Market Rental Data for Vigo County  
  
Board Exhibit A: Form 131 Petition  
Board Exhibit B: Notice of Hearing  
Board Exhibit C: Hearing Sign-In Sheet
  - c. These Findings and Conclusions

## OBJECTIONS

10. The Petitioner objected to the admission of the Respondent’s Exhibit 5 on the grounds that the Petitioner does not have access to the IncomeWorks software and the Evaluation Report does not show how the GIM was developed. The Petitioner did not provide sufficient grounds for the objection, and his objection goes more to the weight of the evidence rather than its admissibility. Further, the Petitioner appeared to withdraw his objection during his argument. Consequently, the objection is overruled and the Respondent’s Exhibit 5 is admitted.

## BURDEN OF PROOF

11. Generally, a taxpayer seeking review of an assessing official's determination has the burden of proving that a property's assessment is wrong and what its correct assessment should be. *Meridian Towers East & West v. Washington Twp. Assessor*, 805 N.E.2d 475, 478 (Ind. Tax Ct. 2003); *see also Clark v. State Bd. of Tax Comm'rs*, 694 N.E.2d 1230 (Ind. Tax Ct. 1998). The taxpayer must explain how each piece of evidence relates to the requested assessment. *Indianapolis Racquet Club, Inc. v. Washington Twp. Assessor*, 802 N.E.2d 1018, 1022 (Ind. Tax Ct. 2004). If the taxpayer makes a prima facie case, the burden shifts to the assessor to offer evidence to impeach or rebut the taxpayer's evidence. *American United Life Ins. Co. v. Maley*, 803 N.E.2d 276 (Ind. Tax Ct. 2004); *see also Meridian Towers*, 805 N.E.2d at 479.
12. Indiana Code § 6-1.1-15-17.2, as amended, creates an exception to that general rule and assigns the burden of proof to the assessor in two circumstances. Thus, where the assessment under appeal represents an increase of more than 5% over the prior year's assessment for the same property, the assessor has the burden of proving that the assessment under appeal is correct. I.C. § 6-1.1-15-17.2(b). The assessor similarly has the burden where a property's gross assessed value was reduced in an appeal, and the assessment for the following assessment date represents an increase over "the gross assessed value of the real property for the latest assessment date covered by the appeal regardless of the amount of the increase..." *See* I.C. § 6-1.1-15-17.2(d). These provisions may not apply if there was a change in the property's improvements, zoning or use, or if the assessment was determined using the income approach to value. *See* I.C. § 6-1.1-15-17.2(c) and (d).
13. In any case, if an assessor has the burden and fails to meet it, the taxpayer may offer evidence to prove the correct assessment. If neither party offers evidence that suffices to prove the correct assessment, it reverts to the previous year's value. I.C. § 6-1.1-15-17.2(b).
14. The subject property was assessed at \$34,900 for 2011. The 2012 assessed value increased to \$54,500, which was more than a 5% increase. The parties agreed on the record that the Respondent has the burden of proving the 2012 assessment is correct. However, to the extent that the Petitioner seeks an assessment below the previous year's value, the Petitioner bears the burden of proving that lower value.

## CONTENTIONS

15. Summary of the Respondent's case:
  - a. The subject property is a two unit, 988 square foot structure with garages and concrete patios in the back of the property. The actual value of the subject property if the Assessor used the cost approach would be \$93,300. However, the Assessor has

- been using the income approach to value this property for several years, including for the 2012 year at issue in this appeal. *McCarty testimony; Resp't Ex. 1.*
- b. The Respondent presented an aerial view of the subject property that shows where the property is located in the county. The aerial view also shows several of the surrounding comparable properties that are the same size as the subject property and that also contain two units. These comparable properties were assessed using the income approach as well. *McCarty testimony; Resp't Ex. 2.*
  - c. In the IAAO's Property Assessment Valuation 2<sup>nd</sup> Edition Book, the GIM formula used by the county is defined as the sales price divided by the annual income. *McCarty testimony; Resp't Ex. 3.*
  - d. The Respondent uses IncomeWorks to collect data on rental properties because they do not have access to a multiple listing service ("MLS"). Ms. McCarty presented a list of five properties that represent some of the examples of rental properties IncomeWorks found to be most relevant and comparable to the subject property. The last one used, 4110 E. 73 ½ is closely situated to the Otter Creek area. *McCarty testimony; Resp't Ex. 4.*
  - e. The Assessor bought IncomeWorks from an MAI in Chicago. Each year IncomeWorks is updated using data from MLS so the sales data is more accurate and timely for calculating values using the income approach. IncomeWorks uses properties that are in similar locations, condition, age, and number of units. The program checks for uniformity in the county and determines average rents per month. *McCarty testimony.*
  - f. Data entered into IncomeWorks resulted in an assessed value of \$54,500 based on the average potential rents per month for the area during the year at issue. The average rents are approximately \$459 per month and the gross rent multiplier (the "GRM") is 4.95, which is less than most of the sales used for comparison. *McCarty testimony; Resp't Ex. 5.*
  - g. The Petitioner's rent for the subject property is \$475 per month. This rent is higher than the comparable rent of \$459 per month as determined by IncomeWorks. Ms. McCarty used the lower rent of \$459 per month due to the fact that the Petitioner pays some of the utilities for the units and she was unable to compute the amount to deduct from the rent for utilities. *McCarty testimony; Resp't Ex. 6.*
  - h. There are ten comparable duplexes in the immediate area. The majority of the units are assessed at \$54,500. They are all 988 square feet, with two units, garages and concrete patios, and are essentially identical to the subject property. They were all built within two years of each other and are all rental units assessed using the income approach. *McCarty testimony; Resp't Exs. 2, 7.*

- i. The AIC collects fair market rental data for Indiana counties. The Respondent contends that IncomeWorks does a better job of collecting data than the AIC because IncomeWorks uses MLS data. The AIC's data shows a higher rent for Vigo County than the \$459 rent the Respondent used in the subject property's income approach. The use of the lower rental rate demonstrates that the Respondent is being very fair and that the \$54,500 assessment for the subject property is reasonable. *McCarty testimony; Resp't Ex. 8.*

16. Summary of the Petitioner's case:

- a. The Petitioner presented copies of various parts of the Indiana Code that relate to the assessment of rental properties. He noted that the lowest value of the three approaches to value should be used. The Respondent does not have to use all three approaches to value if the Respondent and the Petitioner agree on the method of assessment. The DLGF may adopt rules to be used in gathering and processing information with regard to the income capitalization method and the GRM method, and the rules must express the interactions of factors that affect the value mathematically. The parties may introduce evidence of comparable properties within a two-mile boundary of the taxing district. *Seger testimony; Pet'r Ex. 0.*
- b. The Petitioner contends that the five comparables introduced by the Respondent do not qualify as comparables because four of the comparables are more than two miles outside of the subject property's taxing district. Three of the Respondent's five comparables are also owner-occupied and are receiving homestead deductions, including the one property that is located in the subject property's taxing district. *Seger testimony; Pet'r Ex. 1.*
- c. According to a memorandum dated August 24, 2007, issued jointly by the DLGF and the Board, it is appropriate to consider and use distressed sales when they constitute the normal market for real property in the area. Specific financing terms, types of sellers, and market conditions are not reasons for categorically rejecting a sale as invalid. *Seger testimony; Pet'r Ex. 2.*
- d. The Petitioner offered data with regard to the following sales in the subject property's area:
  - 2655 East Quinn Avenue in Terre Haute was sold as part of a group of three duplexes that sold for \$152,600 in September 2010, and its corresponding GRM is 3.68;
  - 2830 East Phylbeck Avenue in Terre Haute was sold as part of a group of ten duplexes that sold for \$420,000 in 2005, and its corresponding GRM is 3.04;
  - The subject property was purchased as part of a group of five duplexes. The Petitioner purchased it for \$190,000 in 2007, and its corresponding GRM is 3.33.

The Petitioner contends the average GRM for these three sales is 3.35, and the value of the subject property based on this GRM is \$38,190. *Seger testimony; Pet'r Ex. 3.*

- e. Petitioner's Exhibit 4 is a comparison using a duplex that is located two blocks from the subject property at 4109 East 73<sup>rd</sup> Avenue. It has a brick exterior and has less square footage than the subject property. It is assessed for \$36,600 and has an annual income of \$12,000. The Petitioner contends such results in a GRM of 3.05. The subject property is painted aluminum siding and is slightly bigger. It was assessed at \$34,900 in 2011 and the assessment increased to \$54,900 in 2012. The subject property's gross income of \$11,400 multiplied by the comparable's GRM of 3.05 would give it a value of \$34,770. *Seger testimony; Pet'r Ex. 4.*
- f. The Board's final determination in *Bernie's Place* states that properties managed by a central management team and operating as one business can be considered an apartment complex. The Petitioner's evidence demonstrates that the subject property is part of a single economic unit and should be considered an apartment complex as well. Therefore, the Assessor should be required to develop all three approaches to value the property and use the one with the lowest value. *Seger testimony; Pet'r Ex.5.*
- g. The Petitioner offered Exhibits 6 and 7 to demonstrate that he is not being treated fairly when one compares the subject property's ratio of rental income to assessed value to that of the surrounding comparable properties. Exhibit 6 is a spreadsheet purportedly computing a multiplier using the ratio of assessed values to annual income of apartments, duplexes, and four unit structures in the subject property's area using various groups of properties consisting of 42 total units. The Petitioner contends that the average multiplier for these 42 units is 3.32, while his group of five duplexes, including the subject property, has an actual multiplier of 4.87. The percentage of tax to income for his group of five duplexes, including the subject property, is 9.7. Whereas, the percent of tax to income for the 42 comparable properties ranges from 4.4 to 8, with an average of 6.3. *Seger testimony; Pet'r Exs. 6, 7.*
- h. The Petitioner considers all of the apartment-duplex units he used as comparisons to be part of healthy rental businesses in the immediate area. In *Bernie's Place*, the Board said that comparables do not have to be the exact same building type or have the same number of units per parcel. The Petitioner did not use properties that had a history of multiple foreclosures, properties where the assessed value did not match the sales price, or properties assessed using the cost approach. The Petitioner also excluded the properties directly across the street because they were reassessed and had assessment increases over 5%, similar to the subject property. Those properties receiving a homestead deduction, and/or properties not consisting entirely of rental units, were also excluded from his analysis. *Seger testimony; Pet'r Ex.8.*

## ANALYSIS

17. Real property is assessed based on its "true tax value," which means "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property." 2011 REAL PROPERTY ASSESSMENT MANUAL at 2 (incorporated by reference at 50 IAC 2.4-1-2); *see also* Ind. Code § 6-1.1-31-6(c). The cost approach, the sales comparison approach, and the income approach are three generally accepted techniques to calculate market value-in-use. MANUAL at 2. Any evidence relevant to the true tax value of the property as of the assessment date may be presented to rebut the presumption of correctness of the assessment, including an appraisal prepared in accordance with generally recognized appraisal standards. MANUAL at 3.
18. Regardless of the method used to prove a property's true tax value, a party must explain how its evidence relates to the subject property's market value-in-use as of the relevant valuation date. *O'Donnell v. Dep't of Local Gov't Fin.*, 854 N.E.2d 90, 95 (Ind. Tax Ct. 2006); *see also Long v. Wayne Twp. Assessor*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005). The valuation date for a 2012 assessment was March 1, 2012. Ind. Code § 6-1.1-4-4.5(f); 50 IAC 27-5-2(c).
19. As explained above, the Respondent had the burden of proving that the 2012 assessment of \$54,500 is correct. The Respondent presented an income approach to value utilizing the GRM method.<sup>1</sup> According to the Respondent, the subject property has been assessed using this method for several years.
20. The IAAO's definition provided by the Respondent states that GRM "expresses a relationship between gross annual income and value of property; thus, it compares the income-producing characteristics of properties in the sales comparison approach." The GRM method develops an income multiplier by looking to market data for sales of comparable income-producing properties and calculates the ratio of the sale price to the gross income at the time of the sale. An opinion of value can then be calculated by multiplying the GRM by the annual income base for the subject property.
21. The GRM method eliminates the complex value adjustments required by the sales comparison approach by assuming differences between the properties are reflected in their respective rental rates. However, in order to derive and apply a reliable GRM for valuation purposes, the properties analyzed must still be comparable to the subject property and to one another in terms of physical, geographic, and investment characteristics. To establish that properties are comparable, a party must identify the

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<sup>1</sup> In Indiana, the GRM method is the preferred method of valuing real property that has 1-4 rental units. Ind. Code § 6-1.1-4-39(b). Indiana has not defined the term GRM by statute or regulation, but it is a commonly used appraisal term that uses the same formula and has essentially the same definition as GIM. The one important difference being that GRM is based on the gross income derived from rents only, while GIM is based on the gross income attributable to all sources, including, but not limited to, rent. *Maloof v. San Juan Co. Valuation Protests Bd.*, 114 N.M. 755, 760 n. 1; 1992-NMCA-127; 845 P.2d 849 (1992 N.M. App.) Despite this distinction, both parties used these terms interchangeably throughout their respective testimony and evidence. For convenience, the Board will use the term GRM in place of GIM hereinafter.

characteristics of the subject property and explain how those characteristics compare to the characteristics of the purportedly comparable properties. *Long*, 821 N.E.2d at 471.

22. The Respondent used data collected by IncomeWorks to determine a GRM for use in calculating the assessed value for the subject property. Respondent's Exhibit 4 summarizes five sales of income-producing properties and their respective GRM's. The Respondent's witness, Ms. McCarty, testified that the five sales represent some, but not all, of the rental properties IncomeWorks used to derive the GRM, and that they were used because they are the most relevant and comparable to the subject property.
23. While the Respondent asserted that IncomeWorks uses data from properties that are similar in age, condition, design, quality, amenities, and have similar locations, the Respondent failed to offer meaningful testimony relating the five properties' specific features and characteristics to the subject property. Specific reasons must be provided as to why a proponent believes a property is comparable. Conclusory statements that a property is "similar" or "comparable" to another property do not constitute probative evidence of the comparability of two properties. *Id.* at 470.
24. Again, the five properties offered supposedly represent the most relevant and comparable properties IncomeWorks included in its data set, but the Respondent did not support their comparability to the subject property as required by *Long*. Although they only represent a sample of the properties included in IncomeWorks' calculations, the Respondent failed to provide any evidence to establish that there were other sales included in the IncomeWorks analysis that were, in fact, comparable to the subject property. Furthermore, there is nothing in the record to suggest that the other properties were of a sufficient quantity or quality to generate reliable and consistent sales and income data for development of a GRM.
25. The Petitioner also testified that three of the Respondent's five purportedly comparable properties are owner-occupied and are receiving homestead deductions. The Respondent challenged the Petitioner's claims regarding the occupancy status of the five properties, but neither party submitted any documentary evidence to support their testimony. Even if the Board accepts the Respondent's assertions regarding the five properties as true, the Respondent did nothing to show whether the other sales that IncomeWorks used in the development of the GRM included owner-occupied properties.
26. Additionally, the sale dates for the five purportedly comparable properties ranged from January 2008 to April 2011. Although the Respondent provided these sale dates, there is no evidence to establish whether the dates for the gross income data correspond to the dates of the sales. In any case, the Respondent's analysis did not properly account for the age of the income and sales data from the five purportedly comparable properties by making adjustments to relate those figures to the appropriate valuation date of March 1, 2012 before calculating the GRM. *See Long*, 821 N.E.2d at 471 (stating that any evidence of value relating to a different date must have an explanation about how it demonstrates, or is relevant to, that required valuation date).

27. The Respondent also failed to specifically explain how the GRM of 4.95 was derived from the IncomeWorks data. The Respondent failed to offer any supporting evidence, such as sales disclosure forms, to verify that the sale prices reflected the market value. Without this verification, it is possible that the sale prices may have included the value of personal property, financing, or leases, and the sales may not have been open-market, arm's-length transactions. There is also no evidence that the income data was gathered at the time of the sale, or whether it included income from sources other than rent. Although the Respondent appears to believe a GRM of 4.95 is fair because it is less than the individual GRMs from the five purportedly comparable sales, the Respondent still failed to provide a substantial basis for the multiplier. Given the numerous issues discussed above, the Respondent did not provide adequate support for the GRM used to calculate the value of the subject property.
28. The Respondent also relied on IncomeWorks to determine the potential rent per month and the potential gross rent for the subject property from market rents of purportedly comparable properties in the subject property's area. Ms. McCarty testified that the software program checks for uniformity in the county and determines average rents per month. The rents from the five purportedly comparable properties ranged from \$500 to \$612.50 per month but, as previously discussed, the Respondent's evidence did not support their comparability to the subject property. The Respondent used a \$459 monthly rate because Ms. McCarty could not determine by how much to reduce the rent to account for the fact that the Petitioner pays the utilities for some of the units. Although the Respondent characterized the \$459 rate as fair because it is less than the actual rent of \$475 per month, the Respondent still failed to provide a substantial basis for the \$459 rental rate used in the IncomeWorks analysis.
29. The Respondent also attempted to support the rental rate used by IncomeWorks with data developed by the AIC. The Respondent used this AIC data despite the fact that Ms. McCarty testified that she believes IncomeWorks does a better job of collecting rental data than AIC. Ms. McCarty testified that AIC's fair market rental data established Vigo County's average market rent for 2012 was \$479 for one bedroom units and \$616 for two bedroom units. According to the Petitioner's uncontroverted testimony, the subject property has two bedroom units, but the Respondent did nothing to explain how the \$616 rate from AIC related to the \$459 rate used by IncomeWorks.
30. The Respondent appears to have completely relied on IncomeWorks to identify comparable properties, collect and analyze sales and income data from those comparable properties, develop the potential gross rent and an income-multiplier, and compute an assessed value for the subject property based thereon. As part of making a prima facie case, "it is the taxpayer's duty to walk the [Board] through every element of [its] analysis." *Long*, 821 N.E.2d at 471 (quoting *Clark v. Dep't of Local Gov't Fin.*, 779 N.E.2d 1277, 1282 n. 4 (Ind. Tax Ct. 2002)). This requirement applies equally to an assessor bearing the burden. Unfortunately, the Respondent failed to adequately explain how IncomeWorks accomplished the aforementioned tasks. Thus, the Board has been

deprived of the ability to assess the software's reliability and the credibility of the resulting assessed value.<sup>2</sup>

31. Because the Respondent failed to sufficiently support the selected comparable properties, the GRM value, and the potential gross rent, the Respondent's income approach did not produce probative evidence of the subject property's market value-in-use for the 2012 assessment. Further, the Respondent failed to walk the Board through every element of the income approach analysis as required by *Long*, and did not demonstrate that it conforms to generally accepted appraisal and assessment principles.
32. The Respondent also presented an assessment comparison approach in support of the 2012 assessment. The Respondent offered the property cards of ten duplexes as evidence that the subject property's assessment was in line with the assessments of comparable properties. Indiana Code section 6-1.1-15-18(c) allows a taxpayer or assessor to introduce this type of evidence to prove market value-in-use in a proceeding concerning residential property as long as the "comparable properties [are] located in the same taxing district or within two miles of a boundary of the taxing district."
33. Here, all ten properties offered by the Respondent are located in the same taxing district as the subject property. Also, based on the Respondent's evidence, they appear to be nearly identical to the subject property, each having been built in 1976 with 988 square foot units, 364 square foot garages and concrete patios. Thus, unlike the five properties offered by the Respondent for the GRM calculation, the Respondent did demonstrate that these ten properties are generally comparable to the subject property.
34. The Respondent assigned all ten of the comparable properties a value of \$54,500 for the 2012 assessment. The Respondent contends this supports the subject property's assessment because the subject property's 2012 assessed value is exactly the same. However, the Respondent's witness failed to sufficiently explain how she arrived at any of the comparable properties assessed values and the property record cards provide no meaningful insight.<sup>3</sup>
35. Again, it is the Respondent's duty to walk the Board through every element of the analysis. *Long*, 821 N.E.2d at 471. Although the ten properties are similar, it was also part of the Respondent's duty to explain how any differences between the properties affected their relative market values-in-use. *Id.* While all of these properties had the same total assessed values, the assessments varied in their allocations between land and

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<sup>2</sup> IncomeWorks may be a valid tool for delivering a calculation of value but the Respondent failed to prove it. Furthermore, a party introducing a report produced by such software tool must also show that the underlying data used by the software are reliable to the conclusion to constitute probative evidence of a property's market value-in-use.

<sup>3</sup> The Respondent's witness testified that, like the subject property, all ten of the comparable properties are assessed under the income approach. Although it is not clear from the record, the Respondent presumably relied on IncomeWorks for these income approach analyses as well. The Board has already determined that the Respondent failed to prove the credibility of IncomeWorks. Consequently, the assessments provided for the ten comparable properties suffer from the same credibility issues discussed above.

improvements in amounts up to \$5,300.<sup>4</sup> Thus, either the Respondent recognized the differences between the properties and made adjustments, or the allocations were made arbitrarily after settling on a total value of \$54,500. Regardless, the Respondent provided no explanation of how the differences were accounted for or how they affected the market value-in-use of the properties.

36. Because the Respondent failed to explain how the comparable properties' assessed values were calculated and how the differences between them were accounted for, those assessments are not probative evidence of market value-in-use for the subject property.
37. The Respondent did not offer probative evidence sufficient to support the 2012 assessment of \$54,500. Therefore, the Respondent failed to make a prima facie case that the 2012 assessment was correct. Accordingly, the Petitioner is entitled to have the 2012 assessment reduced to its 2011 value. However, that does not end the Board's inquiry because the Petitioner sought an assessment lower than the 2011 value. Thus, the Board must evaluate the Petitioner's evidence.
38. The Petitioner introduced a comparison of a duplex located two blocks from the subject property at 4109 East 73<sup>rd</sup> Avenue, but the Petitioner did little to demonstrate how the property was actually comparable to the subject property. The Petitioner testified that the purportedly comparable property has a brick exterior and has less square footage, while the subject property is painted aluminum siding and is slightly bigger. While such comparison might serve as a starting point, it is not the level of comparison contemplated by *Long*.
39. Also, the Petitioner's GRM calculation had several flaws. The Petitioner calculated a GRM for the purportedly comparable property of 3.05, and argued that using this GRM results in a value of \$34,770 for the subject property. However, the Petitioner calculated the GRM by dividing the property's *assessed value* of \$36,600 by the annual income of \$12,000. The GRM method develops an income multiplier by calculating the ratio of the property's gross income to its *sales price*, not its assessed value. Furthermore, the use of data from a single property does not provide the quantity or quality of data necessary to develop a reliable GRM.

## CONCLUSION

40. The Respondent failed to make a prima facie case that the 2012 assessment was correct, and the Petitioner failed to make a prima facie case for any further reduction. Thus, the Petitioner is entitled to have the property's 2012 assessment reduced to its 2011 value of \$34,900.

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<sup>4</sup> The 2012 assessed values for the property located at 7517 N. 42 ½ Street were \$22,500 for land and \$32,000 for improvements (representing the highest land and lowest improvement values). The 2012 assessed values for the property located at 7738 N. 42 ½ Street were \$17,200 for land, and \$37,300 for improvements (representing the lowest land and highest improvement values).

## FINAL DETERMINATION

In accordance with the above findings and conclusions, the 2012 assessed value must be changed to \$34,900.

ISSUED: February 16, 2015

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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

### - APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days after the date of this notice. The Indiana Code is available on the Internet at <<http://www.in.gov/legislative/ic/code>>. The Indiana Tax Court's rules are available at <<http://www.in.gov/judiciary/rules/tax/index.html>>.