

15-667

TAX TYPE: LOCALLY ASSESSED PROPERTY TAX

TAX YEAR: 2014

DATE SIGNED: 1-26-2016

COMMISSIONERS: J. VALENTINE, R. PERO, R. ROCKWELL

EXCUSED: M. CRAGUN

GUIDING DECISION

BEFORE THE UTAH STATE TAX COMMISSION

<p>TAXPAYER,</p> <p style="padding-left: 40px;">Petitioner,</p> <p>v.</p> <p>BOARD OF EQUALIZATION OF DAVIS COUNTY, STATE OF UTAH,</p> <p style="padding-left: 40px;">Respondent.</p>	<p>INITIAL HEARING ORDER</p> <p>Appeal No. 15-667</p> <p>Parcel No. #####</p> <p>Tax Type: Property Tax / Locally Assessed</p> <p>Tax Year: 2014</p> <p>Judge: Chapman</p>
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This Order may contain confidential "commercial information" within the meaning of Utah Code Sec. 59-1-404, and is subject to disclosure restrictions as set out in that section and regulation pursuant to Utah Admin. Rule R861-1A-37. Subsection 6 of that rule, pursuant to Sec. 59-1-404(4)(b)(iii)(B), prohibits the parties from disclosing commercial information obtained from the opposing party to nonparties, outside of the hearing process.

Pursuant to Utah Admin. Rule R861-1A-37(7), the Tax Commission may publish this decision, in its entirety, unless the property taxpayer responds in writing to the Commission, within 30 days of this notice, specifying the commercial information that the taxpayer wants protected. The taxpayer must mail the response to the address listed near the end of this decision.

Presiding:

Kerry R. Chapman, Administrative Law Judge

Appearances:

For Petitioner: REPRESENTATIVE FOR TAXPAYER, Representative
For Respondent: RESPONDENT-1, from the Davis County Assessor's Office
 RESPONDENT-2, from the Davis County Assessor's Office

STATEMENT OF THE CASE

TAXPAYER ("Petitioner" or "taxpayer") brings this appeal from the decision of the Davis County Board of Equalization ("County BOE"). This matter came before the Commission for an Initial Hearing pursuant to the provisions of Utah Code Ann. §59-1-502.5, on October 27, 2015.

At issue is the fair market value of a HOTEL real property as of the January 1, 2014 lien date. The subject property is located at SUBJECT ADDRESS in CITY-1, Utah. The County BOE reduced the \$\$\$\$ value at which the subject's real property was originally assessed for the 2014 tax year to \$\$. The taxpayer asks the Commission to reduce the value of the subject's real property to \$\$. The County asks the Commission to sustain the subject's current real property value of \$.

APPLICABLE LAW

Utah Code Ann. §59-2-103(1) provides that “[a]ll tangible taxable property shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provided by law.”

UCA §59-2-102(12) defines “fair market value” to mean “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.”

UCA §59-2-1006(1) provides that “[a]ny person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, may appeal that decision to the commission”

For a party who is requesting a value that is different from that determined by the County BOE to prevail, that party must: 1) demonstrate that the value established by the County BOE contains error; and 2) provide the Commission with a sound evidentiary basis for reducing or increasing the valuation to the amount proposed by the party. *Nelson v. Bd. of Equalization of Salt Lake County*, 943 P.2d 1354 (Utah 1997); *Utah Power & Light Co. v. Utah State Tax Comm’n*, 590 P.2d 332 (Utah 1979); *Beaver County v. Utah State Tax Comm’n*, 916 P.2d 344 (Utah 1996); and *Utah Railway Co. v. Utah State Tax Comm’n*, 5 P.3d 652 (Utah 2000).

DISCUSSION

The subject property is comprised of #####-acres of land and a three-story, #####-room motel operated as a HOTEL. The hotel was built in 1993 and was partially remodeled in 2009. The subject property has a swimming pool, a guest laundry, and a fitness center. The business has sold twice since YEAR. In each instance, the business sold along with the underlying real and personal property. The business and underlying property sold for \$\$\$\$\$ in April 2009 and again in June 2014 for \$\$\$\$\$. Neither party contends that the 2014 sale for \$\$\$\$\$ was a distressed sale. REPRESENTATIVE FOR TAXPAYER, the taxpayer’s representative, explained that the business’s revenues had been decreasing for several years prior to the 2014 lien date, which led, in part, to the buyer who purchased the business in 2009 selling it for a price in 2014 that was lower than the 2009 purchase price.¹

1 REPRESENTATIVE FOR TAXPAYER specifically proffered that the subject property’s “RevPAR” rate had been declining for several years prior to the 2014 lien date. He explained that RevPAR (which is an abbreviation for “revenue per available room”) is an industry measurement to compare revenues that hotel and motel businesses are generating. The measurement is the product of the business’s occupancy rate and the rental rate of its rooms. For 2013, the subject’s occupancy rate was 46.1% and the rental rate of its rooms was \$\$\$\$ per night, which resulted in a 2013 RevPAR of approximately #####. REPRESENTATIVE FOR TAXPAYER provided the subject’s RevPAR rates for a number of years along with the average RevPAR for motels similar to the subject property and in its market to show that the subject’s RevPAR is not out-of-line, as follows:

Year	Subject’s RevPAR	Average RevPAR
2006	#####	#####
2007	#####	#####
2008	#####	#####
2009	#####	#####
2010	#####	#####
2011	#####	#####
2012	#####	#####
2013	#####	#####

REPRESENTATIVE FOR TAXPAYER explained that an owner of a hotel or motel *business* may or may not own the underlying *real property*. He explained that some hotel or motel business owners lease the underlying real property, while others also own the underlying real property. Where the business owner leases the real property, the lease rate of the real property can be used to estimate the real property's value. The subject, however, is a motel where the business owner is also the owner of the underlying real property. As a result, there is no lease rate with which the subject's real property value can be estimated. In addition, the subject's 2009 and 2014 sales prices reflect the price at which the business sold along with the real property and personal property. For this reason, the June 2014 sales price of \$\$\$\$ may include business value that is not subject to property taxation. As a result, this sales price may not be particularly useful in estimating the subject's real property value unless the business value, as well as the value of the personal property, can somehow be isolated and removed.²

The taxpayer indicated that the \$\$\$\$ sales price of the subject's business and underlying property was not apportioned to reflect the individual values of the business, the real property, and the personal property. Both

2 Both parties agree that the subject's "business value" should not be assessed and taxed for property tax purposes. It appears that the parties' agreement on this point is supported by Utah law. Utah Code Ann. §59-2-102(30)(b) provides that "property" subject to assessment and taxation does not include "intangible property as defined in this section." Subsection 59-2-102(20) defines "intangible property," in part, not only to include "goodwill," but also to include "property that is capable of private ownership separate from tangible property, including: (i) money; (ii) credits; (iii) bonds; (iv) stocks; (v) representative property; (vi) franchises; (vii) licenses; (viii) trade names; (ix) copyrights; and (x) patents[.]" The parties contend that part of the value of the HOTEL business operated at the subject property is attributable to the franchise and licensing fees associated with being affiliated with a national motel franchise.

In addition, the Commission has determined that the income that a *business* produces does not necessarily relate to the income that the underlying real property itself would generate. For example, in *USTC Appeal Nos. 01-0859, 02-1051, 02-1093, 03-0139, 03-0912 & 03-0913* (Findings of Fact, Conclusions of Law, Final Decision and Protective Order Sept. 1, 2004) at p. 29, the Commission stated:

Typically when a locally assessed property is valued on an income approach for property tax purposes, the income stream used comes from what the property would rent for, not the income generated from the business activity. For example, for locally assessed property tax purposes a grocery store property is valued based on typical rental income, not the income generated from the sales of the food items.

Redacted copies of this and other selected decisions can be viewed on the Commission's website at <http://www.tax.utah.gov/commission-office/decisions>.

parties agree, however, the 2014 value of the business's personal property was \$\$\$\$\$. When the value of the personal property is subtracted from the total sale price of \$\$\$\$\$, the remainder is \$\$\$\$\$. As a result, the subject's business value and the value of its real property together would most likely be no more than \$\$\$\$\$.

Neither party proffered a methodology to quantify the business value that is incorporated in the business's June 2014 sales price of \$\$\$\$\$ or in the remainder value of \$\$\$\$\$ (once personal property value is removed). However, each party agreed that an income approach that deducts franchise and management expenses can be used to "extract" the value of the underlying real property from the total value of the business.

The taxpayer explained that an income approach specific to hotel and motel properties that is used to extract real and personal property value from business value is commonly referred to as the "Rushmore approach." The taxpayer proffered an Appraisal Institute presentation in which the need to extract the value of the real and personal property from the intangible business component of a hotel or motel was discussed and in which it was explained that the Rushmore approach has become the "standard approach utilized for virtually all hotel appraisals being performed for virtually any purpose." The taxpayer also proffered an International Association of Assessing Officers ("IAAO") presentation that provided an example on how to value a hotel's real property with the Rushmore approach.

The IAAO example shows that a hotel or motel is valued by taking total revenues and deducting total expenses³ to derive the net operating income ("NOI") of the business's "going concern." To account for business value or intangibles, amounts for management fees, franchise fees, and furniture, fixtures, and equipment ("FF&E") reserves are deducted from NOI to derive the net income attributable to the real property and existing personal property. This net income amount is then divided by the capitalization rate to obtain the

3 No property taxes are deducted as an expense because the property tax rate is added to the capitalization rate.

market value of the real and personal property. Then, the value of the personal property is deducted to derive the real property value.

RESPONDENT-1 an appraiser in the County Assessor's Office, stated that he had never heard of the "Rushmore approach." Nevertheless, he stated that he agreed with the Rushmore approach in principle. The Commission is also not aware of a prior appeal in which the income approach used to value a hotel or motel's real property was specifically referred to as the "Rushmore approach."⁴

Taxpayer's Valuation Approach. REPRESENTATIVE FOR TAXPAYER proffered a Valuation Analysis in which he attempted to apply the Rushmore approach to extract and estimate the value of the subject's real property. For his income approach, REPRESENTATIVE FOR TAXPAYER used actual revenue and expense amounts shown on an "Operating Income Statement" for year-end 2013 that was prepared by a management company who had been employed by the subject's prior owner. This statement incorporates "departmental expenses" that are not shown and other expenses that are shown. REPRESENTATIVE FOR TAXPAYER'S Rushmore income approach can be condensed, as follows:

\$\$\$\$\$	Total Revenues
- \$\$\$\$\$	Minus: Departmental Expenses (32% of Total Revenues)
- \$\$\$\$\$	Undistributed Operating Expenses (except for franchise fee) (28%)
- \$\$\$\$\$	Fixed Expenses (except for management fee and real property taxes) (1%)
<u>- \$\$\$\$\$</u>	Personal Property Tax Expense (0.5%)
\$\$\$\$\$	NOI of Going Concern
- \$\$\$\$\$	Minus: Management Expense (3%)
- \$\$\$\$\$	Franchise Fee (5.1%)
<u>- \$\$\$\$\$</u>	FF&E Reserves (4%)
\$\$\$\$\$	Net Operating Income ("NOI")

4 The Commission is aware of cases where a party has used a business's RevPAR rate to estimate total revenue and then multiplied that revenue by a gross income multiplier to estimate the value of the hotel or motel's property. See *USTC Appeal No. 06-1653* (Initial Hearing Order Jul. 11, 2007); and *USTC Appeal No. 13-2389* (Initial Hearing Order Sept. 16, 2014). However, neither party used this approach in the instant appeal.

In *Appeal No. 13-2389*, a county also argued that no business value would be captured by an income approach that produces a value that is lower than the property's cost approach value. In the instant appeal, both parties have generated income approach values to estimate the value of the subject's real property. Neither proffered a cost approach value to compare to their income approach values.

$$\frac{\div \%}{\text{\$}} \quad \text{Capitalization Rate (11.0\% Capitalization Rate plus 1.4\% Property Tax Rate)}$$
$$\text{\$} \quad \text{Market Value of Real and Personal Property}$$

From the \$\\$\\$\\$\\$ value that REPRESENTATIVE FOR TAXPAYER derived for the subject's real and personal property, he deducted the subject's 2014 personal property value of \$\\$\\$\\$\\$ to derive a value of \$\\$\\$\\$\\$ (which he rounded to \$\\$\\$\\$\\$) for the subject's real property. On this basis, the taxpayer asks the Commission to reduce the subject's current real property value from \$\\$\\$\\$\\$ to \$\\$\\$\\$\\$.

As noted above, the 2013 year-end Operating Income Statement on which REPRESENTATIVE FOR TAXPAYER relied did not show the subject's 2013 expenses in detail. However, REPRESENTATIVE FOR TAXPAYER provided detailed expense information that the prior owner's management company had also produced for the 12 months ending August 31, 2013, which supported the less detailed 2013 year-end expense information that REPRESENTATIVE FOR TAXPAYER used in his income approach. He also provided a similar Operating Income Statement that appears to be for the 12 months ending April 2012, which also supports the expense information shown on the 2013 year-end Operating Income Statement.⁵

There is, however, one small detail about REPRESENTATIVE FOR TAXPAYER'S income approach that does not appear to match the Rushmore approach example contained in the IAAO presentation.

5 The subject's expenses appear to have remained relatively constant between the 12 months ending April 2012, the 12 months ending August 2013, and 12 months ending December 2013. When a franchise fee of approximately %%, a management fee of %%, and a reserves expense of %% are added to expenses and when personal and real property taxes are deducted from expenses, the subject's total expenses appear to be \$\\$\\$\\$\\$ for the 12 months ending April 2012, \$\\$\\$\\$\\$ for the 12 months ending August 2013, and \$\\$\\$\\$\\$ for the 12 months ending December 2013. As a percentage of total revenues, these expenses are %% for the 12 months ending April 2012, %% for the 12 months ending August 2013, and %% for the 12 months ending December 2013.

The taxpayer explained that expenses go down as revenues go down because many of its expenses are not fixed expenses and are dependent of the number of rooms that are rented. It is clear that the subject's total revenues were declining faster than its expenses for these same three periods. For the 12 months ending April 2012, total revenues were \$\\$\\$\\$\\$. Revenues had declined to \$\\$\\$\\$\\$ for the 12 months ending August 2013 and \$\\$\\$\\$\\$ by 12 months ending December 2013. The County, however, did not argue that using the lower revenue amount of \$\\$\\$\\$\\$ in an income approach would underestimate the subject's value. In fact, as will be discussed later, the County used this amount of revenue in its own income approach.

REPRESENTATIVE FOR TAXPAYER deducted \$\$\$\$ of personal property taxes as an expense in his income approach, while personal property taxes are not deducted in the IAAO example. It appears that REPRESENTATIVE FOR TAXPAYER is “double-counting” the personal property expense when he deducts it as an expense and when the capitalization rate is increased by the real and personal tax rate to derive the value of both the real and personal property. If REPRESENTATIVE FOR TAXPAYER’S income approach is revised to remove the \$\$\$\$ of personal property taxes as an expense deduction, his revised income approach value for the subject’s real property would be \$\$\$\$ (rounded). This value equates to approximately \$\$\$\$ per room for the #####-room subject’s real property.

County’s Valuation Evidence. The County proffered an appraisal prepared by RESPONDENT-1 in which he estimated the value of the subject’s real property at \$\$\$\$ with the sales comparison approach and \$\$\$\$ with the income approach. He did not include a cost approach in his appraisal. RESPONDENT-1 gave the most weight to the income approach when he reconciled these values and determined a “final value estimate” of \$\$\$\$ for the subject’s real property. The County did not ask the Commission to increase the 2014 value of the subject’s real property to \$\$\$\$\$. On the basis of its appraisal, it asks the Commission to sustain the subject’s current value of \$\$\$\$\$ for its real property.

County’s Sales Comparison Approach. For his sales comparison approach, RESPONDENT-1 used seven comparable sales of motels in Utah, STATE-2, and STATE-3 to estimate the value of the subject’s real property. Six of the comparables sold between November 2010 and August 2012 (between 20 and 36 months prior to the 2014 lien date), while the seventh comparable sold in April 2014 (4 months after the 2014 lien date). The older comparables sold for prices ranging between \$\$\$\$ and \$\$\$\$ per room, while the April 2014 comparable sold for \$\$\$\$ per room. RESPONDENT-1 did not adjust the comparables. Instead, he took an average of the seven sales prices at which these comparables sold to estimate the value of the subject’s real

Appeal No. 15-667

property at \$\$\$\$ per room, which equates to \$\$\$\$.

This sales comparison approach is not convincing. First, it is not known whether the seven comparable sales were sales of the business and the underlying property together or whether they were sales of property only. Where the comparables' sales prices range between \$\$\$\$ and \$\$\$\$ per room, these prices could easily represent various combinations of business value, personal property value, and real property value. Without more information about what was sold in each instance, using the comparables' sales prices to estimate the value of the subject's real property only is suspect.

Second, the County did not adjust the seven comparables, even though all but one occurred prior to the lien date, even though three of them were located in states other than Utah, and even though none of the comparables were located in the same county as the subject property. Furthermore, there is no information about the features of each of the comparables (i.e., restaurants, swimming pool, etc.), and no adjustments were made for differences in these features, even though RESPONDENT-1 stated in the sales comparison approach section of his appraisal that “[p]oints of difference must be identified and considered, and then adjustments are applied to the comparable to reflect value differences for comparison to the subject property. From the adjusted values, the most probable selling price of the subject is estimated.” Even though RESPONDENT-1 stated that adjustments *must* be made in a sales comparison approach, he has chosen not to do so. Finally, it is noted that the only comparable that sold within 20 months of the lien date sold for \$\$\$\$ per room and that the only comparable in Utah with more than 80 rooms sold for \$\$\$\$ per room. These values per room support the \$\$\$\$ per room value derived with the taxpayer's income approach (after the one revision previously discussed), not the \$\$\$\$ per room value the County derived with its sales comparison approach. For these reasons, RESPONDENT-1 sales comparison approach is suspect. It should receive little, if any, weight in the analysis.

County's Income Approach. With two exceptions, RESPONDENT-1 income approach is nearly identical to REPRESENTATIVE FOR TAXPAYER'S income approach. First, RESPONDENT-1 contends that

the subject's actual expenses of 73% for the 12 months ending December 2013 are 13% higher than "market expenses." He contends that the percentage of expenses that the market supports for a motel is only 60% of its total revenues. Second, RESPONDENT-1 determined that a 10.5% capitalization rate would be more appropriate than the 11.0% rate used by REPRESENTATIVE FOR TAXPAYER. As a result, RESPONDENT-1 deducted 60% of "market expenses" from the subject's actual revenues of \$\$\$\$ to arrive at an NOI attributable to the subject's real and personal property of \$\$\$\$\$. He then applied a capitalization rate of 12.0% (10.5% capitalization rate plus 1.50% property tax rate) to the \$\$\$\$ NOI amount to derive a \$\$\$\$ value for the subject's real and personal property. From this amount, he deducted the subject's personal property value of \$\$\$\$ to derive a value of \$\$\$\$ (rounded) for the subject's real property.

The primary difference between RESPONDENT-1 income approach value of \$\$\$\$ and REPRESENTATIVE FOR TAXPAYER'S income approach value of \$\$\$\$ (once revised as discussed earlier) is attributable to RESPONDENT-1 decision not to use the subject's actual expenses in his approach.⁶ As a result, the critical issue in this appeal is whether the subject's actual expenses should be used to estimate its value or whether a lower amount of "market expenses" should be used.

The County has agreed that the actual revenues the taxpayer generated for the 12 months ending December 2013 should be used to estimate the 2014 value of its real property. However, it contends that its actual expenses should not be used. In the past, the Commission has expressed a concern with "mixing" actual income and/or expenses with market income and/or expenses. In *USTC Appeal No. 11-1068* (Initial Hearing Order Jan. 18, 2012), the Commission considered a case where a county valued a property with its actual revenues and a "market expense" rate that was lower than its actual expenses. In this appeal, the Commission stated:

⁶ If REPRESENTATIVE FOR TAXPAYER'S revised income approach of \$\$\$\$ is further revised to reflect a 10.5% capitalization rate instead of an 11.0% rate, the taxpayer's income approach value for the

Generally, the Commission has concerns with mixing actual income and expenses with estimated market rates, especially when only based on appraisal opinion. Income, vacancy, and expenses for any given property are interrelated. Mixing actual data and estimated rates has the potential to distort a value estimate.

In the instant case, the County stated that it used a 60% expense rate in its income approach instead of the subject's actual expenses of 73% because it had evidence of another motel in CITY-1 whose expenses were only 56% of its total revenues. The County indicated that this other motel was a #####-room INN. The County, however, did not indicate what period this 56% expense rate occurred for. In addition, the County did not know if the INN'S revenues were higher than the subject's revenues either because of higher room rates or lower vacancy rates. Furthermore, the County did not indicate whether the INN had less features (i.e., restaurant, swimming pool, fitness room) that could account for the lower expense rate. Finally, the County did not indicate whether the INN'S 56% of expenses included management expenses and reserves expenses that were included in the subject's actual expenses of 73%. It would have been helpful if the County had submitted some documentary evidence of the INN'S actual revenues and expenses so that it could be determined how they matched up to the subject's. Without such evidence, use of the INN'S 56% expense rate to replace the subject's actual expense rate with a 60% rate is suspect, especially when it is considered that the subject's expense rate has been 70% or more for three periods beginning in early 2011.

The County did proffer a "Motel and Hotel DATA BASE" document showing expense rates from 1987 to 1999 to support its use of a 60% expense rate for the subject property for the 2014 tax year. The document showed that the expense rates of 22 hotels and motels in the western United States ranged between 53% and 77% of total revenue for the 1987 to 1999 period. Most of the expense rates ranged between 63% and 68%, but none of the 22 hotels or motels was located in Weber, Davis, Salt Lake, or Utah County. The expense rates shown by this document are suspect because they occurred between 15 and 27 years prior to the 2014 tax year at issue and

subject's real property would be approximately \$\$\$\$\$.

Appeal No. 15-667

because they relate to different areas. Regardless, they suggest that the 60% “market” rate the County used in its income approach may be low.

The County has accepted and used the taxpayer’s actual 2013 total revenues in its income approach, even though the subject’s actual revenues were lower for 2013 than other years. Because of fixed expenses, it should not be surprising the subject’s actual expenses, as a percentage of its actual revenues, increased in 2013. Furthermore, the subject’s actual expenses have been relatively constant for several years prior to the 2014 lien date. For these reasons, the subject’s actual 2013 expenses should be used to estimate the value of its real property for the 2014 tax year.

One last remaining issue is whether the income approach should reflect REPRESENTATIVE FOR TAXPAYER’S proposed capitalization rate of 11.0% or whether it should reflect RESPONDENT-1 proposed rate of 10.5%. RESPONDENT-1 did not include a capitalization rate analysis in his appraisal, but stated that he used a 10.5% rate because he had seen CRG reports showing that capitalization rates were in the 6.0% to 7.0% range. REPRESENTATIVE FOR TAXPAYER included a capitalization rate study in his valuation analysis in which he showed five comparable sales that sold for rates ranging between 9.85% and 13.13%, with an average of 11.12%. His other information from reports and surveys showed rates ranging between 6.5% and 12.0%. This information shows that either a 10.5% or an 11.0% capitalization rate would be reasonable. However, of the taxpayer’s actual capitalization rates, the one from Utah that sold closest to the 2014 lien date sold at a capitalization rate of 10.5%. As a result, the County’s proposed 10.5% capitalization rate is more convincing than the taxpayer’s proposed capitalization rate of 11.0%. As a result, the taxpayer’s income approach will be further revised to reflect a 10.5% capitalization rate. Once this revision is made, the taxpayer’s income approach shows a value of approximately \$\$\$\$ for the subject’s real property.

Appeal No. 15-667

The evidence proffered at the Initial Hearing is sufficient to show that the current value of \$\$\$\$\$ for the subject's real property is erroneous and that it should be reduced to \$\$\$\$\$. Accordingly, the Commission should reduce the 2014 value of the subject's real property to \$\$\$\$\$.

Kerry R. Chapman
Administrative Law Judge

DECISION AND ORDER

Based upon the foregoing, the Tax Commission finds that the subject's current value of \$\$\$\$\$ should be reduced to \$\$\$\$\$ for the 2014 tax year. The Davis County Auditor is ordered to adjust its records in accordance with this decision. It is so ordered.

This decision does not limit a party's right to a Formal Hearing. However, this Decision and Order will become the Final Decision and Order of the Commission unless any party to this case files a written request within thirty (30) days of the date of this decision to proceed to a Formal Hearing. Such a request shall be mailed, or emailed, to the address listed below and must include the Petitioner's name, address, and appeal number:

Utah State Tax Commission
Appeals Division
210 North 1950 West
Salt Lake City, Utah 84134

or emailed to:

taxappeals@utah.gov

Failure to request a Formal Hearing will preclude any further appeal rights in this matter.

DATED this _____ day of _____, 2016.

John L. Valentine
Commission Chair

Michael J. Cragun
Commissioner

Appeal No. 15-667

Robert P. Pero
Commissioner

Rebecca L. Rockwell
Commissioner