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## **DECISION OF MUNICIPAL TAX HEARING OFFICER**

Decision Date: October 12, 2016  
Decision: MTHO# 912

### **DISCUSSION**

#### **Introduction**

The City of Chandler (“City”) issued a tax assessment against *Company One, LLC* (“*Company #1*”). Subsequently, *Person #1* filed a July 18, 2016 protest regarding the tax being assessed.

On July 26, 2016, the City responded to the protest filed by *Person #1* and asserted that *Person #1* was not the taxpayer who was assessed. The City requested *Person #1* provide a properly executed power of attorney (“POA”) giving him the authority to act on behalf of *Company One, LLC*. *Person #1* did not provide any POA. As a result, the City concluded that *Person #1* was not the taxpayer with the right to appeal the assessment. The City requested the protest be vacated.

On August 1, 2016, August 11, 2016, August 12, 2016, and September 6, 2016, *Person #1* asserted that he did not submit the protest in this matter. *Person #1* indicated that *Person #2* had submitted the protest. *Person #2* is a trustee, acting as the manager of *Company One, LLC*.

The City filed an October 5, 2016 reply indicating that due to the layered ownership structure of *Company One, LLC*, it was difficult to determine who has authority to represent *Company One, LLC*. The City did conclude that *Person #2* was authorized to represent *Company One, LLC* while *Person #2* was not. The City requested the Hearing Officer make a determination whether the protest in this matter was valid.

### **DECISION**

In this case, the City issued a tax assessment to *Company One, LLC*. City Code Section 4-1-570 (“Section 570”) provides for a taxpayer to contest a tax assessment by filing a petition with the Municipal Tax Hearing Office (“Hearing Office”) in a timely manner. City Code Section 4-1-100 (“Section 100”) defines “taxpayer” to “mean any person liable for any tax under this Chapter.” As a result of the City’s assessment, *Company One, LLC* is the person liable to the City for the assessment. While *Person #1* appeared to file the protest letter, it was also signed by *Person #2* as trustee. It is unclear if *Person #1* was authorized to act on behalf of *Company One, LLC*. Based on all the above, we must

conclude that *Person #2* was authorized to act on behalf of *Company One, LLC*. Accordingly, the July 26, 2016 protest of 1230 NSC was valid.

### **FINDINGS OF FACT**

1. The City issued a tax assessment against *Company One, LLC*.
2. On July 18, 2016, *Person #1*, filed a protest regarding the tax assessment.
3. On July 26, 2016, the City responded to the protest and asserted that *Person #1* was not the taxpayer who was assessed.
4. The City requested *Person #1* provide a POA giving him the authority to act on behalf of *Company One, LLC*.
5. *Person #1* has never provided any POA.
6. Subsequently, *Person #1* and *Person #2* clarified that the protest had actually been filed by *Person #2* as a trustee and manager for *Company One, LLC*.

### **CONCLUSIONS OF LAW**

1. Pursuant to ARS Section 42-6056, the Municipal Tax Hearing Officer is to hear all reviews of petitions for hearing or redetermination under the Model City Tax Code.
2. Section 570 provides a right for a taxpayer to contest a tax assessment by filing a petition in a timely manner.
3. Section 100 defines “taxpayer” to “mean any person liable for any tax under this Chapter.”

4. *Company One, LLC* is the person liable to the City for the assessment.
5. *Person #2* is a trustee and a manager of *Company One, LLC* and is authorized to act on behalf of *Company One, LLC*.
6. The July 18, 2016 protest letter of *Company One, LLC* was proper and valid.

### **ORDER**

It is therefore ordered that the July 18, 2016 protest filed by *Taxpayer* was timely and in the proper form, consistent with the Findings, and Conclusions, herein.

It is further ordered that this Decision is effective immediately.

*Municipal Tax Hearing Officer*