

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW

94 PTC 60

In the matter of:)
The appeal of Northern Telecom)
Inc. from the decision of the) Final Decision
Durham County Board of)
Equalization and Review)
regarding 1993 assessments.)

This matter was heard before the Property Tax Commission (hereinafter "Commission"), sitting as the State Board of Equalization and Review in the City of Raleigh, Wake County on January 17, 1995, pursuant to the appeal of Northern Telecom Inc., (hereinafter "Taxpayer") from a decision of the Durham County Board of Equalization and Review regarding the assessment of personal property taxes for the year 1993.

Vice Chairman James R. Vosburgh presided over the hearing with Commission members, George G. Cunningham, W. Eugene Wilson, Dan R. Murray and R. Bruce Cope, participating.¹

The Taxpayer was represented at the hearing by Charles B. Neely, Jr. and Nancy S. Rendleman, attorneys at law; the County was represented at the hearing by Thomas W. Jordan, Jr., attorney at law.

Issues

The parties have stipulated that the issues are as follows:

1. Did the County's assessment of the subject personal property substantially exceed the true value in money of the subject property as of January 1, 1993?
2. If issue one is answered in the affirmative, what is the true value in money of the subject property as of January 1, 1993?

From the petitions filed in this matter, the evidence, stipulations of the parties and arguments of counsel, the Commission makes the following findings of fact:

¹The Commission is temporarily without a Chairman, Mr. Cunningham having resigned as Chairman and no successor having yet been appointed.

1. The Commission has jurisdiction over the parties and the subject matter of this appeal.

2. Durham County used certain trending and depreciation tables prepared by the Department of Revenue in the assessment of the business personal property of Taxpayers for 1993. Because these tables did not adequately reflect the obsolescence of much of Taxpayer's business personal property, the 1993 assessment substantially overstated the true value in money of the Taxpayer's business personal property for the year 1993.

3. The Department of Revenue has prepared new trending and depreciation tables for the telecommunication switch manufacturing and test equipment, and computers owned by Taxpayer. These tables, when applied to the original historical cost of Taxpayer property as of January 1, 1993 accurately reflect the true value in money on the Taxpayer's business personal property for the year 1993.

4. The true value of Taxpayer's business personal property for 1993 is as follows:

Appraisal Date	DMS-10	DMS-100	Total
January 1, 1993	\$12,113,475	\$111,367,040	\$123,480,515

Based upon the foregoing findings of fact, the Commission makes the following conclusions of law:

1. The County's appraisal of the subject property for 1993 was substantially greater than its true value in money.

2. The true value in money of the Taxpayer's business personal property for 1993 is the value set forth in finding of fact paragraph 4 above.

3. The Commission concludes that the Taxpayer's evidence meets the burden of proof as set forth in In Re Appeal of AMP, Inc., 287 N.C. 547, 215 S.E.2d 752 (1975), and the Taxpayer is therefore entitled to a reduction in the appraised value of the property under appeal to the value found by this Commission.

BASED UPON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, THE COMMISSION NOW THEREFORE ORDERS, ADJUDGES AND DECREES that the decision of the Durham County Board of Equalization and Review dated January 28, 1994 for the property which is the subject of this appeal is hereby modified, and the County shall revise its tax records as necessary to reflect the findings and the conclusions of the Commission that the true value in money of the Taxpayer's business personal property which is the subject of this appeal for tax year 1993 is:

Appraisal Date	DMS-10	DMS-100	Total
January 1, 1993	\$ 12,113,475	\$111,367,040	\$123,480,515

Entered this 17th day of January, 1995.

NORTH CAROLINA PROPERTY TAX COMMISSION

By James R. Vosburgh
James R. Vosburgh, Vice Chairman
Acting for the Commission.

Commission Members Cunningham, Wilson,
Murray and Cope concur.

ATTEST:

Janet L. Shires
Janet L. Shires, Secretary

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