

REPRESENTATIVE FOR THE PETITIONER: Charles Stafford, Senior Warden

REPRESENTATIVE FOR THE RESPONDENT: Kevin Gardner, Vigo County Assessor

**BEFORE THE
INDIANA BOARD OF TAX REVIEW**

Episcopal Diocese of Indianapolis,)	Petition No.: 84-021-24-2-8-00265-24
)	
Petitioner,)	Parcel No.: 84-06-18-320-001.000-021
)	
v.)	County: Vigo
)	
Vigo County Assessor,)	Assessment Year: 2024
)	
Respondent.)	

December 17, 2024

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:

INTRODUCTION

1. Episcopal Diocese of Indianapolis (“Episcopal”) sought a religious and charitable exemption for a rented residential property. But Episcopal did not show that the subject property was predominantly used and occupied for exempt purposes in the year preceding the assessment date. Thus, we find the subject property to be 100% taxable for the 2024 assessment year.

PROCEDURAL HISTORY

2. On April 1, 2024, Episcopal applied for a 100% exemption for the 2024 assessment year for property located at 12466 Maybell Avenue in Weste Terre Haute. On April 8, 2024, the Vigo County Property Tax Assessment Board of Appeals (“PTABOA”) issued its

Form 120 finding the property to be 100% taxable.

3. On May 14, 2024, Episcopal appealed to the Board. On September 26, 2024, Natasha Marie Ivancevich, the Board's Administrative Law Judge ("ALJ"), held a telephonic hearing. Neither the Board nor the ALJ inspected the subject property.
4. Charles Stafford, Episcopal's Senior Warden, and Vigo County Assessor Kevin Gardner testified under oath. Neither party offered any exhibits.
5. The record also includes the following: (1) all pleadings, briefs, and documents filed in these appeals, (2) all orders, and notices issued by the Board or ALJ; and (3) an audio recording of the hearing.

FINDINGS OF FACT

6. The subject property is a residential house. Episcopal rents the house to a tenant for \$650 per month through a property manager. Episcopal uses the rental income to provide blessing boxes, clothes donations to indigent children, and to support its food bank. *Stafford testimony; Gardner testimony.*
7. We find that Episcopal has not shown the subject property is used or occupied for charitable or religious purposes. Rather, it is used and occupied for residential purposes.

CONCLUSIONS OF LAW AND ANALYSIS

8. Before addressing the merits of Episcopal's exemption claim, we note that Episcopal made several arguments at the hearing regarding the subject property's assessment. As the Assessor points out, this appeal stems from the denial of the exemption, it is not an assessment appeal. Had Episcopal wished to challenge the assessment, it should have also filed an appeal following the procedure in Indiana Code § 6-1.1-15-1.1. Absent a properly filed appeal, we have no authority to alter the subject property's assessment. Thus, we will not address those arguments. We now turn to Episcopal's exemption claims.

9. Although tangible property in Indiana is generally taxable, the Legislature has exercised its constitutional power to exempt certain types of property. *Hamilton Cnty. Prop. Tax Assessment Bd. of App. v. Oaken Bucket Partners, LLC*, 938 N.E.2d 654, 657 (Ind. 2010). A taxpayer bears the burden of proving it is entitled to an exemption. *State Bd. of Tax Comm'rs v. New Castle Lodge #147, Loyal Order of Moose, Inc.*, 765 N.E.2d 1257, 1259 (Ind. 2002). Every exemption appeal “stand[s] on its own facts,” and it is the taxpayer’s duty to walk us through the analysis. *Jamestown Homes of Mishawaka, Inc. v. St. Joseph Cty. Ass'r*, 914 N.E.2d 13, 15 (Ind. Tax Ct. 2009).
10. All or part of a building is exempt from taxation if it is owned, and exclusively or predominantly used or occupied for educational, literary, scientific, religious, or charitable purposes. I.C. § 6-1.1-10-16(c)(1)-(2). A property need not be owned, occupied, or used by the same entity to be exempt, but where the owner and the occupant or user are different entities, each must possess its own exempt purpose. *Oaken Bucket*, 938 N.E.2d at 659. Because exemptions relieve properties from bearing their fair share of the cost of government services, they are strictly construed against the taxpayer. *Id.* at 657.
11. In addition, to receive an exemption, the property must be owned, occupied, and used for an exempt purpose more than 50% of the time during the year preceding the assessment date. I.C. § 6-1.1-10-36.3. When a property is used for both exempt and non-exempt purposes, a taxpayer claiming an exemption must compare the relative time of exempt and nonexempt use. *See Hamilton Cnty. Ass'r v. Duke*, 69 N.E.3d 567, 572 (Ind. Tax Ct. 2017). A property is 100% tax exempt if it is exclusively used or occupied for exempt purposes or if it is predominantly used for exempt purposes by a church, religious society, or nonprofit school. I.C. § 6-1.1-10-36.3(c)(1)-(2).
12. We first address Episcopal’s claim that the subject property should receive a religious exemption. The subject property was owned by Episcopal but rented to an unidentified third-party tenant as a residence. There is no evidence that the subject property was used for religious purposes such as worship services. Nor is there any evidence that the tenant

had a religious purpose in occupying the property.¹ As far as the record shows, it was simply used as a house. Thus, the subject property does not qualify for a religious exemption for the 2024 assessment year.

13. Episcopal also claimed the subject property was entitled to a charitable exemption. The term “charitable purpose” must be understood in its broadest constitutional sense. *Knox Cnty. Property Tax Assessment Board of Appeals v Grandview Care, Inc.*, 826 N.E.2d 177, 182 (Ind. Tax Ct. 2005). Courts will generally find a charitable purpose 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. *Id.* Episcopal argued that the subject property should receive a charitable exemption because it used the rental income from the subject property to support its charitable endeavors. But the use of income does not determine whether a property is eligible for a charitable exemption. *New Castle Lodge #147 v. State Bd. of Tax Comm'rs*, 733 N.E.2d 36, 39 (Ind. Tax Ct. 2000). Rather, it is the use of the property itself that controls. *Id.* And while Episcopal’s charitable activities are laudable, they do not take place in the subject property. Instead, it is used as a residence, which is not a charitable use.² For these reasons, we find the subject property does not qualify for a charitable exemption for the 2024 assessment year.
14. Finally, we note that Episcopal argued that it should receive an exemption because the subject property had always received an exemption in the past. But it is the use of the property in the year preceding the assessment date that controls. I.C. § 6-1.1-10-36.3. In addition, the PTABOA always has the authority to review exemptions and has the obligation to disapprove exemption applications when the property is ineligible under the law. I.C. § 6-1.1-11-4(g).

¹ Episcopal did not claim the subject property was a parsonage.

² Episcopal did not claim the subject property was used to provide low-income housing.

CONCLUSION

15. For these reasons, we find the subject property is 100% taxable for the 2024 assessment year.

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


Chairman, Indiana Board of Tax Review


Commissioner, Indiana Board of Tax Review


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 of 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>.