

INDIANA TAX COURT

MARTHA BLOOD WENTWORTH
JUDGE



115 WEST WASHINGTON STREET, SUITE 960S
INDIANAPOLIS, IN 46204-3429
(317) 232-4694
FAX (317) 232-0644

August 29, 2014

Mr. Brian Bailey, Director
Indiana State Budget Agency
200 West Washington Street
Room 212
Indianapolis, Indiana 46204

RE: Indiana Tax Court Transmittal Letter
FYE 2016 – FYE 2017 Biennial Budget Request

Dear Mr. Bailey,

The Indiana Tax Court is an appellate court created by the Indiana General Assembly effective July 1, 1986. The Tax Court has a limited jurisdiction conferred by statute and hears only those cases that 1) arise under the tax laws of Indiana and 2) are initial appeals from the state's three administrative tax agencies: the Department of Local Government Finance, the Indiana Board of Tax Review, and the Department of State Revenue.

The Tax Court hears property tax related appeals from the Department of Local Government Finance and the Indiana Board of Tax Review as an appellate tribunal. The Tax Court hears appeals from the Department of State Revenue assuming the additional role of finder of fact. The Tax Court's mission is to produce a consistent body of Indiana tax law that affords certainty for both state tax administration and taxpayers alike. With one judge and a statewide jurisdiction, the Tax Court is required by statute travel to hear cases in any of seven counties throughout Indiana; the Tax Court is therefore the last of the appellate "circuit riders."

Upon my taking the bench in 2011, my predecessor, Thomas G. Fisher, was appointed as Senior Judge. In addition, my staff includes a court administrator, a staff attorney, one full-time law clerk, and a summer intern through the ICLEO program, which promotes diversity in the legal community. I have also hired a second law clerk who will begin in September.

The Tax Court contains its staffing costs by outsourcing court reporting and by using current staff to handle duties such as bailiff responsibilities, operating video equipment during oral arguments, and assuming those duties related to supporting the Senior Judge and the significant number of motions the Tax Court receives. While this lean staffing model has kept our staffing costs low, it is detrimental to the efficient and effective operation of the Tax Court. Moreover, the other appellate courts operate with significantly more staffing per judge than the Tax Court. Therefore, the largest request for this biennial budget is for additional legal personnel.

The Tax Court continues to work closely with the technology staff of the Indiana Supreme Court and Indiana Court of Appeals, sharing with them the cost of the local area network that will ultimately result in lessening administrative burdens and reducing expenses. The Tax Court also contributes its share for the increased infrastructure necessary to implement the new Appellate Case Management System and related technology. Moreover, the Tax Court volunteered to be first to go-paperless as the appellate courts prepare to institute eFiling that will increase efficiency and responsiveness and decrease the costs of producing and storing paper files.

The Tax Court's last biennial budget appropriation provided funding to obtain needed tax research technology and hardware upgrades, to improve security for the Tax Court chambers, and to purchase new video equipment to both increase public visibility and to educate Hoosiers regarding the role of the Tax Court in Indiana's voluntary compliance tax system. For now, thanks to the generosity of the Court of Appeals, the Tax Court can borrow its traveling video system when necessary for hearings and oral arguments outside Marion County. As a result of this and other economical decisions, the Tax Court was able to return to the general fund over \$36,000, which is 20% of our operations appropriation for FYE 2014.

As discussed above, this biennial budget request focuses on the Tax Court's personnel needs. Additional legal personnel is imperative to providing speedy decisions. The funding requests are more fully detailed below:

1. Current Services Change Package 1. [Salaries/Fringe]

This request is necessary to fund the pay raise and associated fringe benefits for the Tax Court judge that is based on Indiana Code § 33-38-5-8.1 and was not included in the biennial budgets for those years because the judicial raises were approved after the FYE14 and FYE15 budgets were passed by the Legislature. The request totals \$8,462, which represents wages of \$4,721 and fringe benefits of \$361 for July 1, 2013 and wages of \$3,140 and fringe benefits of \$240 for July 1, 2014. This change package also includes funds to provide salary adjustment/performance awards to court staff in FYE16 of 2.7% and FYE17 of 2.9%. To these ends, the Tax Court requests:

FYE16: \$20,306 FYE17: \$33,369

2. Current Services Change Package 2. [IT Shared Expenses]

This request is for the Tax Court's share of the costs for the appellate courts' local area network and for the increased infrastructure necessary to implement the new Appellate Case Management System with its related ancillary technology.

The Tax Court's total requests for IT Shared Expenses are:

FYE16: \$2,588 FYE17: \$2,488

3. New Services Change Package 1. [New Experienced Law Clerk]

This change package requests new funds for the Tax Court to hire an experienced law clerk. Having the appropriate number of legal clerks is essential to the timely writing of this court's decisions. For most of my tenure as the judge, the Tax Court has had one law clerk and one staff attorney and the backlog of cases has increased unacceptably. Indiana's appellate judges generally have three law clerks. The Tax Court requests:

FYE16: \$110,776 FYE17: \$107,292

4. New Services Change Package 2. [Part Time Legal Intern]

This request includes funds for a part-time internship position for 30 weeks (15 weeks per semester). The Tax Court requests:

FYE16: \$8,881 FYE17: \$8,881

Respectfully Submitted,



Martha Blood Wentworth
Judge, Indiana Tax Court