

REPRESENTATIVE FOR PETITIONER: Tonia Murphy, Minister

REPRESENTATIVE FOR RESPONDENT: Robert Schwerd, Esq.  
Schwerd, Fryman & Torrenga, LLP

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**BEFORE THE  
INDIANA BOARD OF TAX REVIEW**

Steps of Faith Baptist Church,	)	Petition:	64-026-20-2-8-00766-20
	)		
Petitioner,	)	Parcel:	64-03-35-257-001.000-026
	)		
v.	)	County:	Porter
	)		
Porter County Assessor,	)		
	)	Assessment Year:	2020
Respondent.	)		

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November 24, 2021

**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. Steps of Faith Baptist Church applied for a religious exemption for a church building for the 2020 assessment year. Because Steps of Faith did not show the property was used for religious purposes, the Board finds the property to be 100% taxable.

**PROCEDURAL HISTORY**

2. Steps of Faith Baptist Church applied for a religious exemption from property tax for a property located at 219 Francis Street in Porter, Indiana. The Porter County Property Tax Assessment Board of Appeals (“PTABOA”) found the property to be 100% taxable. Steps of Faith timely appealed to the Board.

3. On August, 31, 2021, the Board’s designated Administrative Law Judge, Jennifer Thuma (“ALJ”), held a telephonic hearing. Minister Tonia Murphy and Deputy Assessors Cathy Meyer and Jackie Harrigan testified under oath..

**RECORD**

4. The Petitioner offered no exhibits. The Assessor submitted the following exhibits:

Respondent’s Exhibit A:	Form 136
Respondent’s Exhibit B:	Form 120
Respondent’s Exhibit C:	Subject Property Sale Listing
Respondent’s Exhibit D:	Photo of Pastor Murphy’s North Carolina Services
Respondent’s Exhibit E:	Social Media Community Postings
5. The record also includes (1) all documents filed in the current appeals; (2) all orders and notices issued by the Board or our ALJ; and (3) a digital recording of the hearing.

**FINDINGS OF FACT**

6. The subject property consists of a church building constructed in the 1800’s and associated land. The previous owner gave the property to Tonia Murphy, but the date of transfer is not in the record. He received donations to help with opening the church. He used this money for various things such as updating the signage, transferring the utilities, and getting the church incorporated. He testified that he made several attempts to open the church but was not successful at attracting members. He did not specify when these attempts were made or whether the church facility was used. *Murphy testimony; Resp’t Ex. C.*
7. Because of the expenses of such a large building, Murphy listed the property for sale in April of 2020. The listing stated the property was “vacant” and a “Church (not currently active).” Murphy testified that this was a mistake and it was an active church. Deputy Assessor Jackie Harrigan visited the property in July of 2021. She testified that she observed the property in such poor condition that she did not believe it could have been used in the last two years. In particular, she noted flood damage, unsafe stairs, and

unusable restroom and kitchen facilities. *Murphy testimony; Harrigan testimony; Resp't Ex. C.*

#### CONCLUSIONS OF LAW

8. Although tangible property in Indiana is generally taxable, the legislature has exercised its constitutional power to exempt certain types of property. *Hamilton County Property Tax Assessment Bd. of Appeals 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. *Id.* at 657. Exemption statutes are strictly construed against the taxpayer. Every exemption case “stand[s] on its own facts,” and it is the Petitioner’s duty to walk the Board through the analysis. *Id.*
9. Indiana Code § 6-1.1-10-16(a) provides “All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious or charitable purposes.” The determination of whether a property should receive an exemption “for a particular assessment date must be based on the tangible property’s eligibility...on that assessment date.” I.C. § 6-1.1-11-1.5(b). The assessment date for 2020 was January 1, 2020. I.C. § 6-1.1-2-1.5(a)(2). In addition, I.C. § 6-1.1-10-36.3 provides that in order to qualify for an exemption a property must be predominantly used for exempt purposes in the year preceding the assessment date.
10. The evidence Steps of Faith provided was scant at best. Although Murphy testified to some attempts to start the church, he failed to specify when those attempts were, or whether they involved the subject property. Thus, we are left with no evidence at all that shows how subject property was used in 2019, much less that it was predominantly used for religious purposes.
11. In some cases, a vacant or unused property that is owned for an exempt purpose can receive an exemption. But ownership alone is insufficient. In addition to ownership, there must be evidence of concrete steps taken toward realizing that exempt purpose. *See Trinity Episcopal Church v. State Board of Tax Commissioners*, 694 N.E. 2d 816, 818 (Ind. Tax Ct. 1998) (finding that a church that had invested significant money into a

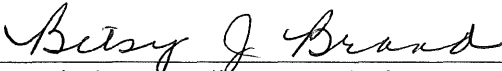
vacant building was eligible for an exemption for that building prior to using it). It must also be “more than a mere dream.” *Id.* In this case, there is little evidence showing that it will be used for exempt purposes by the current owner. To the contrary, the property is in such poor condition as to be unusable and has been listed for sale. This, coupled with the lack of any evidence showing a specific exempt use in the year preceding the assessment date, leads us to conclude the property is ineligible for an exemption.

#### CONCLUSION

12. Steps of Faith failed to show the subject property was predominantly used for exempt purpose in the year preceding the assessment date as required by I.C. § 6-1.1-10-36.3. Nor did it show any concrete steps supporting the notion that it would be used for such a purpose in the future. Thus, we find for the Assessor and determine the subject property is 100% taxable.

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

  
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Chairman, Indiana Board of Tax Review

  
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Commissioner, Indiana Board of Tax Review

  
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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 after 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>.