

September 28, 2012

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

RE: Indiana Tax Court Transmittal Letter  
2013 – 2015 Biennial Budget Request

Dear Mr. Horst,

The Indiana Tax Court is an appellate level court created effective July 1, 1986, by the Indiana General Assembly. As a statutory court, the Tax Court's jurisdiction is conferred by statute. In the broadest sense, the Tax Court's bread and butter is to hear cases that arise under the tax laws of Indiana that are initial appeals from the state's three administrative tax agencies: the Department of State Revenue, the Department of Local Government Finance, and the Indiana Board of Tax Review. The Tax Court also has statutory jurisdiction to review appeals of the probate courts' inheritance tax decisions.

The Tax Court hears appeals from the Department of State Revenue in the capacity of a trial court and all other appeals are heard as an appellate court. The Tax Court has one judge, who is the last of the "circuit riders," required by statute to hear cases in one of seven counties throughout the state.

The Honorable Thomas G. Fisher presided over the Tax Court from the time of its inception until his retirement on January 16, 2011. My appointment by Governor Daniels was effective January 17, 2011. Upon taking the bench, I requested the appointment of a senior judge to assist me in maintaining an efficient and productive court. I am therefore requesting funds to cover the costs associated with this new senior judge position.

In addition to the senior judge, my staff includes a court administrator, a staff attorney, two full-time law clerks (the second hired more than a year into the then biennial budget), and each summer a temporary ICLEO intern. We continue to contain staffing costs by outsourcing court reporting services, using current staff to handle bailiff responsibilities, using current staff to run video equipment borrowed from the Indiana Court of Appeals during oral arguments, a new regular service to the public instituted within the last several months. Moreover, we are handling a, administrative duties, our significant motion practice, and technology duties at current staffing levels. To continue being cost effective, I am requesting funds to employ during the fall and spring semesters a part time intern who will, among other things, assist the senior judge and relieve the current staff from taking on more responsibilities.

The Tax Court continues to work closely with the technology staff of the Indiana Supreme Court and Indiana Court of Appeals and shares the costs of the local area network with them to reduce costs and increase administrative efficiency. The Tax Court is supportive of the Indiana Supreme Court's request for funding for the Appellate Case Management System and will benefit from this system without needing to ask for independent funding. Moreover, the Tax Court is interested, and would volunteer as a test prototype, in instituting eFiling for all appellate court filings to increase efficiency and responsiveness as well as reduce costs associated with the volume of paper annually managed. Nonetheless, the Tax Court will not request funds for this biennial budget.

As a new judge requesting my first budget appropriations, my new requests fall into two broad categories that reflect my vision of the Tax Court's civic responsibilities. First, my new requests are geared to bringing the Tax Court's technology into the 21<sup>st</sup> century and up to the level of the other courts and the litigants who appear before me. Second, the Tax Court's statewide jurisdiction comes with the inescapable responsibility to be visible to the public, attorneys, and potential litigants as well as to educate the citizenry about the Tax Court's role as a part of Indiana's voluntary compliance tax system. My funding requests are more fully detailed and prioritized 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 approved by the Legislature for fiscal years 2012 and 2013, but was not included in the biennial budgets for those years. The request totals \$5,927, which represents \$1,912 wages and \$ 303 fringe benefits for July 1, 2011 and \$3,278 wages and \$434 fringe benefits for July 1, 2012. This change package also includes funds to provide performance awards to court staff in FY 14 and FY 15 at the rate of 2.2%. We are requesting:

FY14: \$18,718                      FY15: \$25,867

**2. Current Services Change Package 2. [Operational/Contractual]**

The Tax Court's chambers are located in the PNC Center. This change package requests the funds necessary to pay the annual increases included in the Tax Court's multiyear lease agreement that cover annual increases in real estate taxes and facility operating expenses. The rent increase in FY 2014 is \$2,191 and in FY 2015 is \$4,382 for a total of \$6,573.

In addition, this change package requests necessary funds to pay for the Tax Court's Westlaw contract adjustments for licensing usage of Westlaw's electronic research platform for 4 users (1 judge, 1 staff attorney, and 2 law clerks). This change package also includes additional funds to pay for increased costs for printed materials. Because of the Tax Court's increased dependence on electronic research resources, we have significantly reduced the printed material that we use, but the necessary printed materials that remain have increased in cost. The increase for our legal research in FY 2014 is \$1,676 and in FY 2015 is \$2,286.

The total request for our operational/contractual needs are:

FY14: \$3,867                      FY15: \$6,668

**3. Current Services Change Package 3. [Technology]**

This change package includes a request for funds to update our technology such as the printer/copier, our aging computers, monitors, telecommunications equipment, and other related technology that the Tax Court relies on daily. To make these upgrades we are requesting:

FY14: \$5,329                      FY15: \$4,229

**4. New Services Change Package 1. [State Outreach]**

This change package includes funds to improve the Tax Court's ability to serve the entire state community by bringing its services to the people via technology and other outreach efforts. To this end,

this request includes a conference room presentation system, video equipment to capture hearings held in various locations for view by the public on the Tax Court's website, taxpayer and attorney educational outreach, and funds to cover our portion of maintaining video equipment borrowed from the Court of Appeals for streaming and archiving our oral arguments. We are requesting:

FY14: \$21,420                  FY15: \$2,420

**5. New Services Change Package 2. [Automobile]**

By statute, Indiana Code 33-26-2-5(d), the Tax Court judge is furnished an automobile to hold hearings throughout the state. This change package requests the funds necessary to furnish a leased vehicle because the FY 2012 and 2013 biennial budgets did not include these funds because the former judge used his own car as he looked forward to his pending retirement. The funds necessary to provide a vehicle are:

FY14: \$6,000                  FY15: \$6,000

**6. New Services Change Package 3. [Sr. Judge]**

This request is necessary to fund the costs of the new senior Tax Court judge position approved beginning midway through FY 2012. This request also includes funds necessary to upgrade the computer equipment, telecommunication equipment, and other equipment specifically used by the senior judge as well as funds for his community outreach, educational, and licensure. We are requesting:

FY14: \$3,655                  FY15: \$1,955

**7. Current Services Change Package 4. [Salary]**

This request includes funds to increase the current summer internship position that is currently 10 weeks, by adding another part-time intern position for 30 weeks (15 weeks per semester). We are requesting:

FY14: \$8,250                  FY15: \$8,250

**8. New Change Package 4. [Security]**

This change package includes funds necessary to improve the security for the Tax Court chambers. Specifically, one new door and a secure electronic entry system are necessary, similar to that used by the Court of Appeals chambers located in this same building, the PNC Center. This request is a one-time cost of:

FY14: \$11,400                  FY15: \$0