

BEFORE THE STATE BOARD OF TAX APPEALS
STATE OF ARIZONA
100 North 15th Avenue - Suite 140
Phoenix, Arizona 85007
602.364.1102

1
2
3
4 KENNETH AND PEPI SANDHAUS,

5 Appellants,

6 vs.

7 ARIZONA DEPARTMENT OF REVENUE,

8 Appellee.

)
)
) Docket No. 1945-06-NEV
)
)
)

) NOTICE OF DECISION
) FINDINGS OF FACT AND
) CONCLUSIONS OF LAW
)

9 The State Board of Tax Appeals, having considered all evidence and arguments presented, and
10 having taken the matter under advisement, finds and concludes as follow:

11 FINDINGS OF FACT

12 On December 24, 1999, Kenneth and Pepi Sandhaus ("Appellants," with the singular referring to
13 Kenneth Sandhaus) paid \$150.00 to have a 250-volt electric outlet installed. TCS Electric installed the
14 outlet on December 26, 1999. After the installation of the outlet, Appellants claimed a \$2000.00 credit for
15 the purchase of a vehicle refueling apparatus on their 1999 Arizona individual income tax return, using
16 \$512.00 of the credit to offset their 1999 Arizona income tax liability.¹ The Arizona Department of
17 Revenue (the "Department") denied the credit and issued a proposed assessment of additional income tax
18 for tax year 1999. Appellants timely protested to the Department's Hearing Officer, who affirmed the
19 assessment. Appellants then protested to the Director of the Department who upheld the Hearing
20 Officer's decision. Appellants now timely appeal to this Board.

21
22
23
24
25

¹ Appellants conceded at the hearing before the Board that they are abandoning their attempt to carry forward any unused credit.

1 At the time of installation of the 250-volt electrical outlet, Appellant testified they were
2 contemplating the purchase of a certain type of electric vehicle. Information submitted by Appellants
3 indicated this vehicle to be rechargeable by use of a standard electrical outlet. Appellant testified that
4 their garage contained a standard electrical outlet in 1999. Thus the 250-volt electrical outlet was not
5 "necessary to provide an electric charge for an electric vehicle." Therefore, Appellants' did not purchase
6 a "vehicle refueling apparatus" as defined in A.R.S. § 43-1086.01. Appellants did not need the 250-volt
7 electrical outlet to accommodate their stated desire to purchase an electric vehicle.

8 Appellants' assertion that they only needed to intend to purchase an electric vehicle to obtain the
9 tax credit is mooted by the statutory interpretation above. Nevertheless, given the circumstances
10 surrounding the purchase of the 250-volt electrical outlet by Appellants, the Board believes Appellants'
11 testimony about their intent to even purchase an electric vehicle lacks credibility.

12 To allow a \$2000.00 credit for the purchase of a \$150.00 unnecessary 250-volt electrical outlet
13 would be an absurd result. Therefore, the Department was well justified in denying the tax credit at issue.

14 CONCLUSIONS OF LAW

15 Appellants are not entitled to the credit claimed. See, *Keyes v. Chambers*, 209 Or. 640, 307 P.2d
16 498 (1957); *Davis v. Arizona Dep't of Rev.*, 197 Ariz. 527, 4 P.3d 1070 (app. 2000); *State ex rel. Ariz.*
17 *Dep't of Rev. v. Capitol Castings, Inc.*, 207 Ariz. 445, 88 P.3d 159, (2004); *City of Phoenix v. Superior*
18 *Court*, 144 Ariz. 172, 177, 696 P.2d 724, 729 (App.1985).

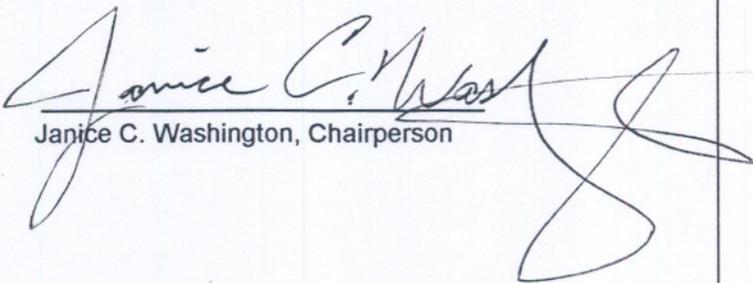
19 ORDER

20 THEREFORE, IT IS HEREBY ORDERED that the appeal is denied, and the final order of the
21 Department is affirmed.

22 This decision becomes final upon the expiration of thirty (30) days from receipt by the taxpayer,
23 unless either the State or taxpayer brings an action in superior court as provided in A.R.S. § 42-1254.

24 DATED this 19th day of October, 2006.

25 STATE BOARD OF TAX APPEALS


Janice C. Washington, Chairperson

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JCW:ALW

CERTIFIED

Copies of the foregoing
Mailed or delivered to:

Kenneth and Pepi Sandhaus
18021 N. 53rd Street
Scottsdale, Arizona 85254

Elizabeth Hill
Assistant Attorney General
Civil Division, Tax Section
1275 West Washington Street
Phoenix, Arizona 85007