

- 2) The State Board is mandated to hear all direct appeals of assessments established by the Nevada Tax Commission (Commission) where overvaluation or excessive valuation of property is claimed, pursuant to NRS 361.403.
- 3) The Taxpayer and the Department were given adequate, proper and legal notice of the time and place of the hearing before the State Board, and the matter was properly noticed pursuant to the Open Meeting Law at NRS 241.020. The Department provided evidence to show the Taxpayer received notice of the hearing. *See Record, SBE page 146.*
- 4) The Commission is required to establish the valuation for assessment purposes of any property of an interstate and inter-county nature, including the property of all interstate or inter-county air transport companies pursuant to NRS 361.320 and applicable regulations. The subject property is property of an interstate or inter-county nature used directly in the operation of a scheduled air transport company. *See Record, SBE page 30; Tr., 6-30-16, p. 115, ll. 14-21.*
- 5) The State Board found that certain assets belonging to Envoy, a wholly owned subsidiary of American Airlines Group, should not be included in the unitary value. In addition, the State Board found that income appropriately attributable to intangible assets should be excluded from the income stream to be capitalized into an indication of value. *See Tr., 6-30-16, p. 129, ll. 5-20.*
- 6) The State Board found the adjusted system value should be reduced from \$18,969,172,000 to \$15,870,000,000; and the Nevada assessed value after allocation should be reduced from \$33,196,000 to \$27,350,000. *See Tr., 6-30-16, p.129, l.16 through p. 131, l. 9.*
- 7) Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so denominated

CONCLUSIONS OF LAW

- 1) The Taxpayer timely filed a notice of appeal, and the State Board accepted jurisdiction to determine this matter.
- 2) The Taxpayer and the Department are subject to the jurisdiction of the State Board.
- 3) The State Board has the authority to determine the taxable values in the State.
- 4) The subject property is appraised, as adjusted, at the proper taxable value in accordance with NRS 361.320.
- 5) Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

DECISION

The Petition of the Taxpayer is granted based on the above Findings of Fact and Conclusions of Law. The Department is instructed to correct the assessment roll by adjusting the assessed valuation of the subject property as follows:

2016-2017 Secured Roll

American Airlines Unitary Value	Taxable Value		Assessed Value	
	Established by Tax Commission	Revised By State Board	Established by Tax Commission	Revised by State Board
Unitary Value	\$18,969,172,000	\$15,870,000,000	\$33,196,000	\$27,350,000
TOTAL	\$18,969,172,000	\$15,870,000,000	\$33,196,000	\$27,350,000

The Department is instructed to certify the assessment consistent with this decision.

BY THE STATE BOARD OF EQUALIZATION THIS 30th DAY OF AUGUST, 2016.

Deonne E. Contine

Deonne Contine, Secretary
DC/ter