APPEAL # 24-111
TAX TYPE: PERSONAL PROPERTY
TAX YEAR: 2019-2021
DATE SIGNED: 08/28/2026
COMMISSIONERS: J.VALENTINE, R.ROCKWELL, J.FRESQUES, AND J.DEEDS

BEFORE THE UTAH STATE TAX COMMISSION

PROPERTY OWNER, Petitioner, v. BOARD OF EQUALIZATION OF COUNTY-1, STATE OF UTAH, Respondent.	**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND FINAL DECISION** Appeal No. 24-111 Parcel No: ##### Tax Type: Personal Property Audit Tax Years: 2019-2021 Judge: Phan

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This order may contain confidential "commercial information" as defined in Utah Code Ann. §59-1-404. "Commercial information" may be subject to disclosure restrictions as provided in Utah Code Ann. §59-1-404 and Utah Administrative Rule R861-1A-37. Utah Administrative Rule R861-1A-37(7) provides that the Tax Commission may publish this decision, in its entirety, unless the property taxpayer that provided the commercial information indicates to the Tax Commission in writing the specific commercial information that the property taxpayer wants protected. A request to protect commercial information shall be sent no later than 30 days after the issuance of this order to one or more of the following: taxredact@utah.gov or Utah State Tax Commission, Appeals Unit, 210 North 1950 West, Salt Lake City, Utah 84134.

Presiding:

Johnny Deeds, Commissioner
Jane Phan, Administrative Law Judge

Appearances:

For Petitioner: PETITIONER'S REP-1, Representative
For Respondent: RESPONDENT'S REP-1, COUNTY-1 Deputy District Attorney
RESPONDENT'S REP-2, Personal Property Audit Manager, COUNTY-1 Assessor's Office
RESPONDENT'S REP-3, COUNTY-1 Assessor's Office

STATEMENT OF THE CASE

This matter came before the Utah State Tax Commission for a Formal Hearing on January 27, 2026, in accordance with Utah Code Ann. §59-2-1005 and §63G-4-201 et seq. Based upon the evidence and testimony presented at the hearing, the Tax Commission hereby makes its:

FINDINGS OF FACT

I. General Information

1. This matter is before the Utah State Tax Commission on an appeal filed by Petitioner ("Property Owner") of the decision issued on DATE, by the COUNTY-1 Board of Equalization ("County"), to deny the Property Owner's appeal of a personal property audit for tax years 2019 through 2021. The County's decision was issued on DATE. The Property Owner appealed the decision and the appeal eventually proceeded to this Formal Hearing on DATE.

2. The personal property at issue in this appeal is owned by the Property Owner and is located and used at BUSINESS-1, which is a bacon processing plant located in CITY-1, Utah.

3. The Property Owner submitted personal property statements for the tax years at issue and calculated its personal property tax based on those statements. On the personal property statements, the Property Owner had claimed a number of items of machinery and equipment as Class 2-Computer Integrated Machinery. The audit, which was issued DATE, reclassified these items to Class 8-Machinery and Equipment, and added some additional items to the personal property schedules that the Property Owner had considered to be part of the real property and, therefore, had not listed on its personal property schedules. The original assessed personal property values and the values determined in the audit for each tax year are the following:

REDACTED TABLE

4. The Property Owner had originally contested a number of items in the audit, arguing that they were improperly reclassified in the audit to Class 8, and should have remained classified as Class 2, or that some items should have been classified as real property instead of personal property. However, at the Formal Hearing, the Property Owner only challenged the classification of two types of machinery and equipment, which had been reclassified by the audit to Class 8. These reclassified items at issue for the Formal Hearing were the "Thurne Slicers" and the "CashinEDGE Slicers." The original acquisition year, acquisition cost, County's classification and Property Owner's classification for these items are the following:

REDACTED TABLE

5. The year of acquisition and the acquisition costs were not in dispute at the Formal Hearing.

II. Property Owner's Evidence

6. The Property Owner's representative presented the argument at the Formal Hearing that machinery shall be classified as Class 2 (computer integrated machinery) if the following conditions are met: a) the equipment is sold as a single unit; b) the machine cannot operate without the computer and the computer cannot perform multiple functions outside of the machine; c) the machine can perform multiple functions and is controlled by a programmable central processing unit; d) the total cost of the machine and computer combined is depreciated as a unit for income tax purposes; and e) the capabilities of the machine cannot be expanded by substituting a more complex computer for the original.

7. At the Formal Hearing, the representative for the Petitioner[1] testified that the Thurne Slicers were all sold as single unit machines and they cannot operate without the computer, while the computer cannot perform multiple functions outside of the machines. He also testified that the total cost of the machines and computers are combined and depreciated as a unit for income tax purposes and the capabilities of the machine cannot be expanded by substituting a more complex computer for the original computer. In his written submission, the Property Owner's representative asserted that the Thurne Slicers met the requirements to be classified as Class 2 property and explained the following:[2]

> The machines can perform multiple functions and are controlled by a programmable central processing unit. The machines use vision based measurement and analysis (function 1), automated control & slice thickness adjustments (function 2), precision slicing at high throughput (function 3) portioning & pack accuracy (function #4), multi-product capability via change parts (function 5), system integration & oven link (function 6).

8. Regarding the Thurne Slicers, the Property Owner's representative provided some screenshots from the website info@thurne.com, which appears to be the website of the

[1] PETITIONER'S REP-1, the representative for the Property Owner, was not an owner, employee or manager of the Property Owner. Rather, PETITIONER'S REP-1 was the manager of BUSINESS-2, an outside accounting and financial advisory firm. PETITIONER'S REP-1 was the only person to attend the hearing for the Property Owner and the only person to provide direct witness testimony. The Commission has concerns that in his testimony about the description and use of the equipment at the Formal Hearing, PETITIONER'S REP-1 was proffering information that had been explained to him by his client, rather than testifying about facts of which he had first hand knowledge. PETITIONER'S REP-1 could have provided a fact witness that had first hand knowledge of the equipment based on the actual use of the equipment, such as an employee, manager or owner of the Property Owner, but he did not do so. Therefore, in considering PETITIONER'S REP-1's testimony regarding the description of the equipment and how it was used, the Commission considers PETITIONER'S REP-1's testimony to be hearsay.

[2] *See* Petitioner's Exhibit A, PDF #2.

manufacturer of the Thurne Slicers. The screenshots provided the following description of the equipment:[3]

> The Thurne one bacon slicer is a dedicated high performance slicer for turkey and belly bacon applications and provides unprecedented yield and throughput to retail and food service bacon producers.
> This dedicated bacon slicer produces consistent slices day in and day out, without thick-thin slices or slivers, while providing great first time on-weight performance and low giveaway for drafts of fixed weight and slice count.
>
> Features & Benefits
> -Produces in excess of 100 retail drafts per minute
> -Produces up to 140 10-slice food service sheets per minute
> -Top-spec cut face vision system with fat & lean detection enables slicer on-weight percentage up to 95% as well as grading functions
> -Giveaway of less than 1% for on-weight packs
> -Accurate, continuous feed with compact autoloader maximises throughput
> -Selection of discharge options enables optimization of retail and food service drafts
> -Debris conveyor delivers trim and end pieces outside of the machine guarding
> -Remote Electrical Cabinet
> -Use of optional Thurne Loading Module enables buffering of up to 12 bellies

9. The Property Owner's representative also provided the entire Operations Manual for a Thurne IBS4600 Vision Slicer. This manual included detailed information about the machine, installation instructions, operating instructions and programming instructions as well as the technical diagrams of the equipment. The instruction manual indicated that there are feed lanes with slicing heads. Each of the slicing heads has a vision system that analyzes the slice before it is cut in order to produce fixed weight slices, based upon the cross section area lean/fat ratio. The control panel for the slicer includes a screen, and for each lane the weight, slices per inch, cooked weight, blade speed, and slice correction is input. Each lane has its own software application with its calibration and set up. The vision system provides a laser, field, and image of each bacon belly. The software uses the laser image to find the outline of the product and the field image to find the lean/fat areas, which are shown in the result image. The user can change the parameters and view the results of those changes for each lane.[4]

10. The Property Owner's representative made the same arguments regarding the CashinEdge Slicers. He opined that the slicers were all sold as single unit machines and the

[3] Petitioner's Exhibit D, PDF #80.
[4] Petitioner's Exhibit D, PDF #93-208.

machines cannot operate without the computer and the computer cannot perform multiple functions outside of the machine. He stated that the total cost of the machine and computer is depreciated as a unit for income tax purposes and the capabilities of each machine cannot be expanded by substituting a more complex computer. Regarding why he felt that the CashinEdge Slicers met the requirement of performing multiple functions, he explained the following in a letter prepared for the Formal Hearing:[5]

> The machines can perform multiple functions and are controlled by a programmable central processing unit. The machines measure product with profile sensing (Function 1), automated weight/count & portion control (Function 2), precision slicing (Function 3), product feeding & controlled delivery system (Function 3), draft presentation/shingling/layout control (Function 4), and automatic reject/sorting/off weight handling (Function 5).

11. The Property Owner's representative also provided website information from ProVisur Technologies about the CashinEDGE Slicer. This described the slicer as, "A legendary performer, the CashinEDGE Institutional bacon Slicing System provides slicing reliability and flexibility at speeds up to 2,000 rpm. Its continuous feed slicing system promises the highest yields and throughput available . . . Slice counts, available in bulk or layout format, are fully adjustable from 1 to 199 slices with precise slice thickness control." This information noted the slicer had "touchscreen control."[6]

12. When asked at the Formal Hearing about the useful life span of the Thurne Slicer and CashinEDGE Slicer, the Property Owner's representative testified that the lifespans were 9-15 years depending on the maintenance, but that nobody wanted 15 year old equipment. He also testified that the CashinEdge Slicers were still at the company, but no longer being used.

13. The Property Owner's representative pointed out that some of the items that are designated as Class 2 properties, like MRI machines, perform only one function. He argued that an MRI machine is only taking photos. He argued that the subject slicers are similar in that they may only slice meat, but they can slice in many different ways and sizes.

III. <u>County's Position</u>

14. At the hearing, the County's representative pointed out that it is the Property Owner who has the burden of proof in this matter and must show substantial error in the audit and provide a sound evidentiary basis to support the value that the Property Owner is requesting.[7]

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[5] Petitioner's Exhibit A, PDF #3.
[6] Petitioner's Exhibit D, PDF # 90-91.
[7] The County noted that the burden of proof for personal property matters is based on case law and not based on statute. The County cites *Utah Railway Co. v. Utah State Tax Comm'n*, 5 P.3d 652, 655 (Utah 2000) citing *Utah Power & Light Co. v. Tax Comm'n*, 590 P.2d 332, 335 (Utah 1979). The County explained that the burden of proof statute at Utah Code Ann. 59-2-109 only applies to real property.

15. The County's representative also pointed out that the primary issue for property tax assessment is fair market value, so he argued that the question should be whether the percent good classification gets nearer to fair market value. He stated that Class 2 provides a nine year life while the Thurne Slicers and the CashinEDGE Slicers had useful lives from 10 to 15 years, which is consistent with Class 8 properties. However, the County also argued the position that the Thurne Slicers and CashinEDGE Slicers did not meet the Class 2 requirements. The County pointed to Utah Admin. Rule R884-24P-33 ("Rule 33"). Rule 33(6)(b) sets out the criteria for Class 2 property and the County pointed out that it states, "Machinery shall be classified as computer integrated machinery if the following conditions are met . . ." The County did not argue or refute that while the Thune Slicer and CashinEDGE Slicer met some of the requirements to be classified as Class 2 property the Thurne Slicer and CashinEDGE Slicer failed to meet the requirement that "the machine can perform multiple functions and is controlled by a programmable central processing unit." The County pointed out that these machines have only one function: they slice meat.

16. The County's representative also stated at the hearing that the Class 2 - computer integrated machinery classification, is starting to cause more problems with personal property assessments. He noted that computers are now integrated into most machinery and equipment. The County's representative used furnaces as an example, which are now integrated with a computer, but he noted that basically all new equipment has a computer.

17. The County presented RESPONDENT'S REP-2, Director of Personal Property for the COUNTY-1 Assessor's Office, as a witness at the hearing. RESPONDENT'S REP-2 testified at the hearing that he had worked for COUNTY-1 for ##### years as a personal property audit manager and appraiser, that he is a designated personal property appraiser, and that he was now the Director of Personal Property for COUNTY-1. He explained that the Thurne Slicer and CashinEDGE Slicer are only slicers and they do not perform multiple functions. He stated that a machine that performed multiple functions would not only slice meat, it could also cook and package the meat as well.

18. RESPONDENT'S REP-2 also testified that COUNTY-1 classifies all meat slicing machines as Class 8 property, so the County is treating these types of machines uniformly.

19. When asked about MRI machines, RESPONDENT'S REP-2 stated that the County did assess MRIs as Class 2 property and when asked what an MRI did, he stated that to the best of his knowledge an MRI takes digital information and converts it into the different types of images available. The County's representative argued that other items that are specifically

listed as examples of Class 2 items, like CNC mills, produced a number of different products and also tended to have a shorter useful life than the Class 8 items.

20. When asked about the lifespan of the Thurne Slicer and CashinEDGE Slicer, he stated that based on what he had seen from audits of food processing businesses, the lifespan of the slicers was from 10 to 15 years. He pointed out that Class 2 properties have a much shorter life than 10 to 15 years. He stated for that reason the County was arguing for a narrow interpretation of the multiple function requirement.

IV. Commissions Factual Conclusions

21. Not disputed at the hearing was that the Thurne Slicers and the CashinEDGE Slicers are computer integrated equipment sold as a single unit; the slicing machine cannot operate without the computer and the computer cannot perform functions outside of the machine; the total cost of the machine and computer combined was being depreciated as a unit for income tax purposes; and the capabilities of the machine cannot be expanded by substituting a more complex computer.

22. The Thurne Slicer and CashinEDGE Slicer at issue have a useful life from 9 to 15 years, which is a more similar economic life to Class 8 Machinery and Equipment than to Class 2 equipment. Therefore, valuation under Class 8 would be more likely to achieve fair market value.

23. The County uniformly classifies similar machine slicers as Class 8-Machinery and Equipment. Therefore, valuation under Class 8 would better achieve equity in the assessment.

24. The Thurne Slicers and the CashinEDGE Slicers are dissimilar to the only examples of equipment specifically listed in Rule (6)(b) as Class 2 equipment, which are CNC mills and lathes and high-tech medical and dental equipment.

25. As the County had alluded to during the Formal Hearing, Rule 33(6)(b) no longer reflects the modern landscape of how computers affect the function of everyday machines. As the use of technology increases it becomes more difficult to determine whether a machine has multiple functions. The Thurne and CashinEDGE Slicers, as the County argued, perform one function: they slice meat. However, as the Property Owner's representative has pointed out, this includes scanning, weighing, measuring and slicing to the specified thickness, when in the past each of these steps could only be done manually.

APPLICABLE LAW[8]

Article XIII, Section (2)(1) of the Utah Constitution provides for the taxation of tangible property in the state, as follows:

> (1) So that each person and corporation pays a tax in proportion to the fair market value of his, her, or its tangible property, all tangible property in the state that is not exempt under the laws of the United States or under this Constitution shall be:
> (a) assessed at a uniform and equal rate in proportion to its fair market value, to be ascertained as provided by law; and
> (b) taxed at a uniform and equal rate.

Utah Code Ann. §59-2-103(1)[9] provides that "[a]ll tangible taxable property shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provided by law."

Utah Code Ann. §59-2-102(13) defines "fair market value" to mean "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts."

Utah Code Ann. §59-2-301 provides that "[t]he county assessor shall assess all property located within the county which is not required by law to be assessed by the commission."

Utah Code Ann. §59-2-303(1) requires a county assessor to assess all property subject to taxation by the county, as follows in pertinent part:

> (1) (a) Before May 22 each year, the county assessor shall:
> (i) ascertain the names of the owners of all property that is subject to taxation by the county;
> (ii) except as provided in Subsection (2), assess the property to the owner, claimant of record, or occupant in possession or control at midnight on January 1 of the taxable year; and
> (iii) conduct the review process described in Section 59-2-303.2.
>
> (b) No mistake in the name or address of the owner or supposed owner of property renders the assessment invalid.

Utah Code Ann. §59-2-306 provides that a county may request a signed statement from a person in regards to real and/or personal property, as follows in pertinent part:

> (1) (a) The county assessor may request a signed statement from any person setting forth all the real and personal property assessable by the assessor which is owned, possessed, managed, or under the control of the person at 12 noon on January 1.

[8] All substantive law citations are to the 2019 version of the Utah Code, unless otherwise indicated. In addition, the substantive law remained the same during the 2019, 2020 and 2021 tax years at issue, unless otherwise indicated.
[9] For the 2021 tax year, this provision was renumbered, and was found in Subsection 59-2-103(2).

(b) A request under Subsection (1)(a) shall include a notice of the procedure under Section 59-2-1005 for appealing the value of the personal property.

(2) (a) Except as provided in Subsection (2)(b) or (c), a signed statement described in Subsection (1) shall be filed on or before May 15 of the year the statement described in Subsection (1) is requested by the county assessor…

(c) If a county assessor requests a signed statement described in Subsection (1) on or after March 16, the person shall file the signed statement within 60 days after requested by the assessor…

Utah Code Ann. §59-2-107 provides that the Commission shall make rules defining classes of personal property and items that fall into those classes, as follows:

The commission shall make rules:

(1) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(2) defining classes of items considered to be personal property for purposes of this chapter;

(3) defining items that fall into the classes established under Subsection (2); and

(4) defining any class or item as personal property if the commission defined that class or item as personal property prior to January 1, 2004, by:

(a) a rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(b) a published decision of the commission; or

(c) an official schedule published by the commission.

Utah Admin. Rule R884-24P-33 ("Rule 33") was adopted to provide guidance in establishing the fair market value of personal property for property tax purposes and provides as follows in pertinent part:

(1) Definitions.

(a)[10] (i) "Acquisition cost" does not include indirect costs such as debugging, licensing fees and permits, insurance, or security.

(ii) Acquisition cost may correspond to the cost new for new property, or cost used for used property….

(c) "Cost new" means the actual cost of the property when purchased new….

(e) "Percent good" means an estimate of value, expressed as a percentage, based on a property's acquisition cost or cost new, adjusted for depreciation and appreciation of all kinds.

(i) The percent good factor is applied against the acquisition cost or the cost new to derive taxable value for the property…

[10] For the 2021 tax year, "acquisition cost" was defined to mean the same as that term is defined in Section 59-2-102. Utah Code Ann. §59-2-102(1) provided: "(a) 'Acquisition cost' means any cost required to put an item of tangible personal property into service. (b) 'Acquisition cost' includes: (i) the purchase price of a new or used item; (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating, skidding, or any other applicable cost of shipping; (iii) the cost of installation, engineering, rigging, erection, or assembly, including foundations, pilings, utility connections, or similar costs; and (iv) sales and use taxes."

(2) Each year the Property Tax Division shall update and publish percent good schedules for use in computing personal property valuation....
   (a) Proposed schedules shall be transmitted to county assessors and interested parties for comment before adoption. A public comment period will be scheduled each year and a public hearing will be scheduled if requested by ten or more interested parties or at the discretion of the Commission.
   (b) County assessors may deviate from the schedules when warranted by specific conditions affecting an item of personal property. When a deviation will affect an entire class or type of personal property, a written report, substantiating the changes with verifiable data, must be presented to the Commission. Alternative schedules may not be used without prior written approval from the Commission.
   (c) A party may request a deviation from the value established by the schedule for a specific item of property if the use of the schedule does not result in the fair market value for the property at the retail level of trade on the lien date, including any relevant installation and assemblage value.

   ….

(6) All taxable personal property, other than personal property subject to an age-based uniform fee under Section 59-2-405.1 or 59-2-405.2, or a uniform statewide fee under Section 59-2-404, is classified by expected economic life as follows….
   (b) Class 2 - Computer Integrated Machinery.
      (i) Machinery shall be classified as computer integrated machinery if the following conditions are met:
         (A) The equipment is sold as a single unit. If the invoice breaks out the computer separately from the machine, the computer must be valued as Class 12 property and the machine as Class 8 property.
         (B) The machine cannot operate without the computer and the computer cannot perform functions outside the machine.
         (C) the machine can perform multiple functions and is controlled by a programmable central processing unit.
         (D) the total cost of the machine and computer combined is depreciated as a unit for income tax purposes.
         (E) the capabilities of the machine cannot be expanded by substituting a more complex computer for the original.
      (ii) Examples of property in this class include:
         (A) CNC mills;
         (B) CNC lathes; or
         (C) high-tech medical and dental equipment such as MRI equipment, CAT scanners, and mammography units.
      (iii) Taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property.

Table 2

Year of Acquisition	Percent Good of Acquisition Cost
18	91%

17	81%
16	70%
15	59%
14	48%
13	38%
12	25%
11 and prior	13%

. . . .

(g) Class 8 - Machinery and Equipment and Medical and Dental Equipment.

(i) Machinery and equipment is subject to considerable functional end economic obsolescence created by competition as technologically advanced and more efficient equipment becomes available.

Examples of machinery and equipment include:

(A) manufacturing machinery;
(B) amusement rides;
(C) bakery equipment;
(D) distillery equipment;
(E) refrigeration equipment;
(F) laundry and dry cleaning equipment;
(G) machine shop equipment;
(H) processing equipment;
(I) auto service and repair equipment;
(J) mining equipment;
(K) ski lift machinery;
(L) printing equipment;
(M) bottling or cannery equipment; and
(N) packaging equipment; and
(O) pollution control equipment.

(iii) Except as provided in Subsection (6)(g)(iv), taxable value shall be calculated by applying the percent good factor against the acquisition cost of the property…

Table 8

Year of Acquisition	Percent Good of Acquisition Cost
18	94%
17	87%
16	79%
15	71%
14	64%
13	56%
12	47%
11	38%
10	30%
09	21%
08 and prior	11%

The percent good tables for Class 2 and Class 8 property for the 2020 tax year are set out in Rule R884-24P-33(6), as follows:

Table 2

Year of Acquisition	Percent Good of Acquisition Cost
19	95%
18	85%
17	73%
16	61%
15	50%
14	39%
13	26%
12 and prior	13%

Table 8

Year of Acquisition	Percent Good of Acquisition Cost
19	97%
18	91%
17	82%
16	74%
15	66%
14	59%
13	48%
12	40%
11	31%
10	22%
09 and prior	11%

The percent good tables for Class 2 and Class 8 property for the 2021 tax year are set out in Rule R884-24P-33(6), as follows:

Table 2

Year of Acquisition	Percent Good of Acquisition Cost
20	96%
19	86%
18	74%
17	62%
16	51%
15	40%

14	26%
13 and prior	13%

Table 8

Year of Acquisition	Percent Good of Acquisition Cost
20	97%
19	92%
18	83%
17	75%
16	67%
15	59%
14	49%
13	40%
12	31%
11	22%
10 and prior	12%

Utah Code Ann. §59-2-1005 provides that a personal property taxpayer may file an appeal of its personal property valuation, as follows in pertinent part:

> (1) (a) A taxpayer owning personal property assessed by a county assessor under Section 59-2-301 may make an appeal relating to the value of the personal property by filing an application with the county legislative body no later than:
> (i) the expiration of the time allowed under Section 59-2-306 for filing a signed statement, if the county assessor requests a signed statement under Section 59-2-306; or
> (ii) 60 days after the mailing of the tax notice, for each other taxpayer.
> (b) A county legislative body shall:
> (i) after giving reasonable notice, hear an appeal filed under Subsection (1)(a); and
> (ii) render a written decision on the appeal within 60 days after receiving the appeal.
> (c) If the taxpayer is dissatisfied with a county legislative body decision under Subsection (1)(b), the taxpayer may file an appeal with the commission in accordance with Section 59-2-1006.

A party dissatisfied with the decision of a county board of equalization may appeal that decision to the Tax Commission, in accordance with Utah Code Ann. §59-2-1006(1), below:

> Any person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, may appeal that decision to the commission by filing a notice of appeal specifying the grounds for the appeal with the county auditor within 30 days after the final action of the county board.

Effective for the 2021 tax year, Utah Code Ann. §59-2-1006(1) provided as follows:

> (1) Any person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, or a tax relief decision made under designated decision-making authority as described in Section 59-2-1101, may appeal that decision to the commission by:
> (a) filing a notice of appeal specifying the grounds for the appeal with the county auditor within 30 days after the final action of the county board or entity with designated decision-making authority described in Section 59-2-1101; and
> (b) if the county assessor valued the property in accordance with Section 59-2-301.8 and the taxpayer intends to contest the value of personal property located in a multi-tenant residential property, as that term is defined in Section 59-2-301.8, submitting a signed statement of the personal property with the notice of appeal.

In a proceeding before the Tax Commission, the burden of proof is generally on the petitioner to support its position. In order to prevail, the Taxpayer has a two-fold burden to 1) show substantial error in the Board of Equalization value, and 2) provide a sound evidentiary basis to support its requested value. *See Nelson v. Bd. of Equalization of COUNTY-1*, 943 P.2d 1354 (Utah 1997); *Utah Power & Light Co. v. Utah State Tax Comm'n*, 590 P.2d 332 (Utah 1979); *Beaver County v. Utah State Tax Comm'n*, 916 P.2d 344 (Utah 1996); *Utah Railway Co. v. Utah State Tax Comm'n*, 2000 UT 49, 5 P.3d 652 (Utah 2000); *Fraughton v. Tax Commission*, 2019 UT App 6, 438 P.3d 961 (Utah Ct. App. 2019); and *Patience LLC v. COUNTY-1 Board of Equalization,* 2021 UT App 4.

CONCLUSIONS OF LAW

1. It is the Property Owner who has the burden of proof in this matter. *See Nelson v. Bd. of Equalization of COUNTY-1*, 943 P.2d 1354 (Utah 1997); *Utah Power & Light Co. v. Utah State Tax Comm'n*, 590 P.2d 332 (Utah 1979); *Beaver County v. Utah State Tax Comm'n*, 916 P.2d 344 (Utah 1996); *Utah Railway Co. v. Utah State Tax Comm'n*, 2000 UT 49, 5 P.3d 652 (Utah 2000); *Fraughton v. Tax Commission*, 2019 UT App 6, 438 P.3d 961 (Utah Ct. App. 2019); and *Patience LLC v. COUNTY-1 Board of Equalization,* 2021 UT App 4.

2. The Utah Constitution, Article XIII, Sec. 2 provides, "So that each person and corporation pays a tax in proportion to the fair market value of his, her or its tangible property, all tangible property in the state that is not exempt under the laws of the United States or under this Constitution shall be: (a) assessed at a uniform and equal rate in proportion to its fair market value, to be ascertained as provided by law; and (b) taxed at a uniform and equal rate."

3. The Utah Legislature has implemented by statute the constitutional requirement for the assessment of tangible property. Utah Code Ann. §59-2-103(1) requires that personal property "shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value." "Fair market value" is defined by statute as the "amount for which property would exchange hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts." *See* Utah Code Ann. §59-2-102.

4. For purposes of determining the fair market value of personal property, Utah Code Ann. §59-2-107 requires the Commission to make rules defining classes of personal property and the items that fall into those classes. The Commission has done so in Utah Admin. Rule R884-24P-33. Pursuant to Rule 33(1)(e)(i), the taxable value of personal property is derived by applying the applicable percent good against the "acquisition cost"[11] or "cost new" of that personal property. At the Formal Hearing there was no dispute regarding the acquisition cost for the Thurne Slicers or CashinEDGE Slicers. The issue was the appropriate Rule 33 classification for these slicers. The Property Owner argued the slicers should be classified as Class 2, which assumes a shorter useful life, and the County argued the slicers should be classified as Class 8, which assumes a longer useful life.

5. Class 2 property is "Computer Integrated Machinery" as defined in Rule 33(6)(b)(i), as follows:

> Machinery shall be classified as computer integrated machinery if the following conditions are met:
> (A) The equipment is sold as a single unit. If the invoice breaks out the computer separately from the machine, the computer must be valued as Class 12 property and the machine as Class 8 property.
> (B) The machine cannot operate without the computer and the computer cannot perform functions outside the machine.
> (C) The machine can perform multiple functions and is controlled by a programmable central processing unit.
> (D) The total cost of the machine and computer combined is depreciated as a unit for income tax purposes.

[11] "Acquisition cost" is defined in Utah Code Ann. §59-2-102(1) as follows:

> (a) "Acquisition cost" means any cost required to put an item of tangible personal property into service.
> (b) "Acquisition cost" includes:
> (i) the purchase price of a new or used item;
> (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating, skidding, or any other applicable cost of shipping;
> (iii) the cost of installation, engineering, rigging, erection, or assembly, including foundations, pilings, utility connections, or similar costs; and
> (iv) sales and use taxes.

(E) The capabilities of the machine cannot be expanded by substituting a more complex computer for the original.

6. At the Formal Hearing, the parties were in agreement that the conditions in (A), (B), (D), and (E) of Rule 33(6)(b)(i) were met. However, the County argued that the condition in (C) was not met because the slicers did not perform multiple functions, that their single function was to slice meat. The Property Owner argued that the slicer performed multiple functions, that it scanned, weighed, measured and sliced meat. As noted in the Findings of Fact, Rule 33(6)(b) has not kept up with technological advancements where computers are now routinely integrated into machinery, equipment and everyday items. Given the current technological landscape, discerning between a single function and multiple functions is difficult. The County had requested during the Formal Hearing that the Tax Commission update the rule to make it relevant to current technology, which the Commission takes under advisement. However, for the subject appeal, in reviewing all of the facts presented at the Formal Hearing and the applicable law, the Commission finds it need not determine whether the subject slicers perform a single function or multiple functions because it is undisputed that they have a 9-15 year life and therefore, as discussed in the Findings of Fact, fair market value is more likely to be achieved by applying the Class 8 percent good tables as the useful life of the Thurne and CashinEDGE slicers are in the same range as Class 8 property. Consequently, the Property Owner has not provided persuasive facts or legal argument to support its position that the County's audit determination was in error.

Jane Phan
Administrative Law Judge

DECISION AND ORDER

Based upon the foregoing, the Tax Commission denies the Property Owner's appeal. It is so ordered.

DATED this _____ day of _____, 2026.

John L. Valentine
Commission Chair

Rebecca L. Rockwell
Commissioner

Jennifer N. Fresques
Commissioner

John T. Deeds
Commissioner

Notice of Appeal Rights: You have twenty (20) days after the date of this order to file a Request for Reconsideration with the Tax Commission Appeals Unit pursuant to Utah Code Ann. §63G-4-302. A Request for Reconsideration must allege newly discovered evidence or a mistake of law or fact. If you do not file a Request for Reconsideration with the Commission, this order constitutes final agency action. You have thirty (30) days after the date of this order to pursue judicial review of this order in accordance with Utah Code Ann. §59-1-601 et seq. and §63G-4-401 et seq.