



Department of Revenue

State of Georgia

410 Trinity-Washington Building

Atlanta, Georgia 30334

(404) 656-4015

T. Jerry Jackson  
Commissioner

October 5, 2001

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

RE: Protest of Intangible Recording Tax and Claim for Refund pursuant to  
O.C.G.A. 48-6-76; [REDACTED] and [REDACTED]  
[REDACTED]

Dear [REDACTED]:

This responds to your request on behalf of [REDACTED] pursuant to  
O.C.G.A. 48-6-76 for a refund of intangible recording tax paid under protest to the clerk  
of superior court, [REDACTED]. It is my determination that your request for a refund  
of intangible recording tax paid in the amount of [REDACTED] is denied. In reaching my  
determination, the information contained in the Protest and Claim for Refund from [REDACTED]  
[REDACTED], with Addendum, and your letter dated January 24, 2001 with  
accompanying documents were considered. We also reviewed the previous  
determination dated March 20, 2000 involving [REDACTED] and [REDACTED]  
[REDACTED]

Department of Revenue Rule 560-11-8-.03 (d) provides in pertinent part that a "short-  
term note, with option to renew or extend by the borrower, where any part of the  
principal or interest of the note becomes due, or may become due, more than three years  
from execution" is classified as a long-term note.

The Promissory Note dated December 28, 2000 between [REDACTED]  
[REDACTED] and [REDACTED] and the Deed to Secure Debt and  
Security Agreement of same date between the parties had an initial maturity date of  
February 26, 2003. By loan commitment dated December 28, 2000 between [REDACTED]  
[REDACTED] and the Borrower they agreed that upon satisfaction of certain conditions,

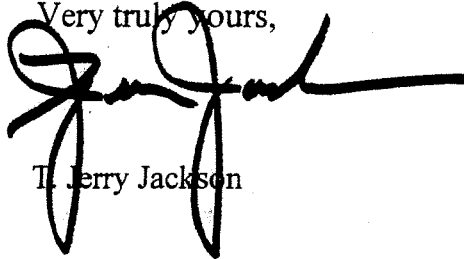
[REDACTED]  
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the Borrower would have a right to extend the initial maturity date for two additional 12-month periods. Even though these options to extend the maturity date are not contained in the Promissory Note and the Deed to Secure Debt between the parties, the loan commitment constitutes a side agreement between the parties to extend the maturity date upon satisfaction of certain conditions. There is no statutory provision or Department Rule that provides that the options to renew or extend must be contained in the Promissory Note and the Deed to Secure Debt. The Borrower has an absolute right to two options to extend the maturity date upon satisfaction of specified conditions. The first option to extend, if exercised by the Borrower, would extend the maturity date beyond 36 months. For these reasons the loan must be considered long-term.

To the extent that the determination is in conflict with our previous determination dated March 20, 2000 involving [REDACTED] and [REDACTED], we acknowledge that the determination was rendered in error and does not comply with Department Rule 560-11-8-.03.

At the time that the Deed to Secure Debt and Security Agreement between [REDACTED] and [REDACTED] was recorded, intangible recording tax in the amount of [REDACTED] was due.

Very truly yours,



T. Jerry Jackson

TJJ:mb

cc: Clerk of Superior Court, [REDACTED]