



## Department of Revenue

Suite 153000

1800 Century Center Blvd., NE

Atlanta, Georgia 30345-3205

Telephone 404- 417-2100

November 25, 2002

**T. Jerry Jackson**  
Revenue Commissioner

[REDACTED]

RE: Protest of Intangible Recording Tax Penalties and Interest and Claim for Refund pursuant to O.C.G.A. 48-6-76 and Request for Waiver of Penalties pursuant to O.C.G.A. 48-6-77; [REDACTED] (Lender) and [REDACTED] (Borrower); Extension and Modification Agreement between the Parties Recorded on November 13, 2001

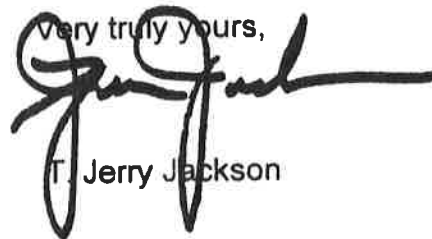
Dear [REDACTED]

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 penalties and interest in the amount [REDACTED] paid under protest to the clerk of superior court of [REDACTED] when the Extension and Modification Agreement between [REDACTED] (Lender) and [REDACTED] (Borrower) was recorded on November 13, 2001.

It is my determination that your request for a refund of the penalties and interest in the amount [REDACTED] be denied and that this amount may not be refunded by the clerk of superior court, [REDACTED]. It is my further determination that the assessment of penalties and interest resulted from failure to exercise due diligence. In reaching my determination, the information contained in your letter dated December 12, 2001, information contained in your protest and your claim for refund, the original Deed to Secure Debt and Security Agreement between the parties and the Extension and Modification Agreement between the parties were considered.

Department of Revenue Rule 560-11-8-.03 (d) provides in pertinent part that a short-term note with an 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 the date of execution is classified as a long-term note. The original loan agreement between the parties contained an option to renew or extend by [REDACTED] and intangible recording tax in the amount [REDACTED] was due but not paid.

Failure to properly review the original Deed to Secure Debt and loan documents between the parties and failure to review Georgia Department of Revenue Rules and Regulations contributed to failure to exercise due diligence. A thorough review would have disclosed that the agreement contained an option to renew or extend by the borrower, which required payment of intangible recording tax at the time of recording. For these reasons, payments of penalties and interest may not be refunded.

Very truly yours,  
  
T. Jerry Jackson

TJJ/JWM/jt

Cc: Clerk of superior court, [REDACTED]