

# **Bond Case Briefs**

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## **TAX - OHIO**

### **Innkeeper Ministries, Inc. v. Testa**

**Supreme Court of Ohio - July 27, 2016 - N.E.3d - 2016 WL 4009986 - 2016 -Ohio- 5104**

Nonprofit corporation filed an application for a charitable-use exemption for property the corporation owned.

The Tax Commissioner denied a charitable-use exemption to property. Corporation appealed. The Board of Tax Appeals reversed. The Tax Commissioner appealed.

The Supreme Court of Ohio held that:

- Corporation's use of property as a free retreat for religious leaders did not qualify the property as a church retreat, and
- Property caretakers personal and permanent residential use of property militated against a finding of charitable use.

Nonprofit corporation's use of property as a free retreat for religious leaders did not qualify the property as a church retreat, for the purpose of application for a charitable-use exemption for property. The property was not owned by a church, and the property contained the residence of caretakers.

Property caretakers personal and permanent residential use of property militated against a finding of charitable use, in action seeking a charitable-use exemption for property owned by nonprofit corporation that was used as a retreat for religious leaders.

The Board of Tax Appeals should have required proof that the primary purpose of the property was charitable hospitality, after evidence established the residential use of the property by property caretakers, before it could determine whether to grant a charitable-use exemption for property. While there was evidence that the property was offered as a retreat for religious leaders, there was no information as to how many individuals stayed at the property, how many individuals the property could accommodate, and whether individuals were turned away from the property.