

W-3-B-1.

**MEMORANDUM**

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DATE: January 31, 2008  
TO: LANE COUNTY BOARD OF COMMISSIONERS  
From: Anette Spickard, Assessor  
AGENDA ITEM TITLE: **IN THE MATTER OF A REFUND TO HYNIX SEMICONDUCTOR MFG AMERICA INC. IN THE AMOUNT OF \$7,332,497.70.**

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**I. MOTION**

MOVE APPROVAL OF ORDER NO. \_\_\_\_\_, IN THE MATTER OF A REFUND TO HYNIX SEMICONDUCTOR MFG AMERICA INC. IN THE AMOUNT OF \$7,332,497.70.

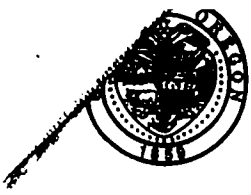
**II. AGENDA ITEM SUMMARY**

Pursuant to ORS 311.205 the Department of Revenue notified the Assessor on January 23, 2008 that an error was discovered in the Department of Revenue's records for the Hynix Semiconductor Mfg America, Inc. account and that the local property tax roll must be corrected and a refund of taxes be paid with interest to the taxpayer as required under ORS 311.806. Since the dollar amount of the refund exceeds the Assessor's delegated authority in the Lane Manual, this item is being brought to the Board for approval.

**III. BACKGROUND/IMPLICATION OF ACTION**

A. Board Action and Other History

The Department of Revenue is responsible for appraising the manufacturing components of Hynix Semiconductor Mfg Inc. annually and submitting those values to the Lane County Assessor to place on the local tax roll. In January 2008, the Department of Revenue Industrial appraisal staff received a request from Hynix Semiconductor to compare the annual Industrial property return filings submitted by the company against the records of the Department of Revenue to determine if certain assets had been double assessed. After in depth review and analysis, the Department of Revenue appraisal staff did verify and confirm that an error had been made in the Department's records in 2002 that resulted in a group of assets being taxed as both Machinery and Equipment and as Buildings and Structures when they should only have been taxed once as Buildings and Structures. The Department of Revenue staff also confirmed that the error did not come from Hynix's Industrial property return filings but that it was an internal recordkeeping error that should have been corrected in 2002. The error was carried on the account from the 2002 tax year through the 2007 tax year, therefore Hynix is eligible for a refund of taxes paid on that equipment for each of those years, plus interest.



# Oregon

Theodore R. Kulongoski, Governor

Department of Revenue  
955 Center St NE  
Salem, OR 97301-2555

RECEIVED

JAN 25 2008

LANE COUNTY  
ASSESSMENT & TAXATION

January 23, 2008

Anette Spickard, Assessor  
Public Service Building c/o Assmt & Tax  
125 E 8<sup>th</sup> Ave  
Eugene OR 97401-2968

RE: Hynix Semiconductor

This letter is to inform you of a change to the 2002, 2003, 2004, 2005, 2006, 2007 Value Transmittal Sheets that were previously mailed to you.

The reason for the correction is due to a group of assets being double assessed as Buildings and Structures and also as Machinery and Equipment.

Enclosed you will find the REVISED Value Transmittal Sheets. If you have any questions about this matter please call me at the number listed below.

John Coppedge  
Senior Appraiser/Analyst  
Valuation Section  
Property Tax Division

Telephone: (503) 945-8240  
Fax: (503) 945-8737  
TTY: (503) 945-8617

cc: Hynix Semiconductor

Enclosures

