TAX COMMISSIONERS, STATE BOARD OF: Grand Lodge of Knights of Pythias—Whether organization of such lodge under Foundation Act of 1921 relieves it from previously existing delinquent taxes.

June 20, 1936.

State Board of Tax Commissioners,
Albert F. Walsman, Commissioner,
Indianapolis, Indiana.

Dear Sir:

I have before me your letter in part as follows:

"We request an opinion in the following matter: The Grand Lodge of Knights of Pythias of Indiana in 1935, incorporated as holding companies under the statute of 1921, for the purpose of administering the affairs of the Pythian Building at the corner of Massachusetts and Pennsylvania Avenues in the City of Indianapolis. Taxes for a period prior to that time, had become due and delinquent. These taxes remain unpaid and the Grand Lodge of the Knights of Pythias is claiming that because of their present exemption under the 1921 statute, they are not liable for the taxes due prior to the organization of the holding company."

You submit the following question:

"Has the Tax Commission the right to require payment of these taxes?"

I assume that the Pythian Building referred to in your letter prior to 1935 was owned in such a way as that no exemption from taxation existed and that thereafter the property was conveyed to the holding company organized under Chapter 246 of the Acts of 1921. I assume that at the time of the conveyance there was already taxes due and unpaid on said property and which were a lien against the property. It is quite true that property held by such a holding company exclusively for religious, education or charitable purposes is exempt from taxation, but there is nothing in the Act as I see it which would operate to remove a tax lien which already legally existed against any specific property by the conveyance of that property to the holding company. The holding company, in my opinion, would take the property subject to any liens which then existed against it, and your question is answered accordingly.