

Bainbridge Island Ethics Board—Advisory Opinion

RE: AO2007-2

Date of Request: September 28, 2007

Subject: Actions of Elected Official in signing tax form related to City purchase of property.

Date of Issue: November 12, 2007

Thank you for your request to the Ethics Board for an advisory opinion.

You have requested an advisory opinion regarding actions of an elected official in signing a tax form related to the purchase of property by the City of Bainbridge Island. The request indicates that the official signs IRS form 8283 for the seller, in order to facilitate a potential tax deduction by the seller for the difference between sales price and appraised value. The request indicates that appraisals do not demonstrate that the value of the property is greater than the sales price, and raises concern that the elected official, in signing the IRS form, may be assisting a tax fraud scheme.

On IRS form 8283, the elected official would be signing part IV, to indicate that the City of Bainbridge Island received the property on a certain date, and to verify the City's status as a qualified organization under section 170(c) of the tax code. The signature by the elected official in part IV does not attest to the value of the property. On form 8283, a separate declaration by a qualified appraiser is required to support the value of the property claimed for tax purposes.

Based on the facts as provided in the request for advisory opinion, the Ethics Board does not find that the described situation would violate the Code of Ethics.