

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Petition for	)	
Redetermination of	)	DOCKET NO. 14348
	)	
[Redacted],	)	DECISION
	)	
Petitioner.	)	
_____	)	

On November 8, 1999, the Revenue Operations Division of the Idaho State Tax Commission issued a Notice of Deficiency Determination Refund Denial to [Redacted] (taxpayer). The notice denied the taxpayer's refund claim for \$55,340.00 in sales taxes for the periods January 1, 1996 through December 31, 1998. The taxpayer timely protested and requested a redetermination on January 10, 2000. An informal conference was not held. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

The taxpayer finances the sale of numerous motor vehicles and other tangible personal property. Generally, a consumer enters into a contract with an Idaho retailer to purchase tangible personal property. The consumer agrees to pay for the property over time and grants the retailer a security interest. The retailer sells the contract to the taxpayer and assigns all of its rights in the contract.

The taxpayer alleges the retailer collected and remitted sales tax. Sometime after remitting the sales tax, a number of consumers defaulted on their loans. On these defaulted loans the taxpayer contends it is entitled to a bad debt deduction for sales taxes pursuant to Idaho Code § 63-3613(d). This statute provides that:

Taxes previously paid on amounts represented by accounts found to be worthless may be credited upon a subsequent payment of the tax provided in this chapter or, if no such tax is due, refunded. If such accounts are thereafter collected, a tax shall be paid upon the amount so collected.

The taxpayer is an assignee of the retailer who made the sale and contends the refund provision is applicable to it. However, the taxpayer has not provided any documentation that the retailers in fact collected and remitted the tax, or that consumers defaulted on their obligation. The taxpayer has simply made a request for a refund of taxes in the amount of \$55,430.00 without providing any supporting documentation. The Commission wrote letters to the taxpayer's representative on July 11, 2000, August 25, 2000, and November 9, 2000, seeking an additional response. No response was ever received. Thus, regardless of the merits of the taxpayer's legal arguments, it has provided no factual basis for the Commission to award a refund.

THEREFORE, the Notice of Deficiency Determination Refund Denial dated November 8, 1999, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer's sales tax refund request in the amount of \$55,340.00 for the period January 1, 1996 through December 31, 1998 is hereby denied.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2001.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 2001, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]  
[REDACTED][REDACTED]

Receipt No. [Redacted]

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ADMINISTRATIVE ASSISTANT 1