

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of )  
 )  
[Redacted] ) DOCKET NO. 15584  
 ) DECISION  
 )  
 )  
Petitioner. )  
\_\_\_\_\_ )

On March 9, 2001, the Fuels Tax Audit Section of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted], [Redacted] (taxpayer), asserting additional Idaho fuel taxes, penalties and interest in the amount of \$166,170 for the October 1999 through October 2000 reporting periods. On May 7, 2001, the taxpayer filed a timely protest and petition for redetermination with the Idaho State Tax Commission. The taxpayer did not request an informal conference before a member of the State Tax Commission but did submit some additional documentation in support of his protest. The Tax Commission, after reviewing the file, hereby issues its decision modifying the Notice of Deficiency Determination.

This is an Idaho motor fuels tax case. During the periods at issue [Redacted] was a licensed Idaho motor fuels distributor. As a licensed motor fuels distributor, he was required to file a monthly Idaho Distributor's Fuel Tax Report with this state. The Distributor's Fuel Tax Report lists, among other things, the total number of gross gallons of gasoline and diesel fuel acquired within Idaho, or imported into Idaho, during the month and the number of gallons of fuel exported out of Idaho to another state. Unless Idaho tax has already been paid on this fuel, or unless there is a valid export of the fuel to another state, the licensed distributor owes Idaho fuels tax on the gasoline and clear diesel fuel he acquires or imports into Idaho during the month. See Idaho Code §§ 63-2405(1) and 63-2416(1).

[Redacted] October 1999 through October 2000 Idaho motor fuels tax reports were selected for audit by the Tax Commission's Fuels Tax Audit Section. As a result of this audit, a number of adjustments were made to those reports, resulting in the \$166,170 amount asserted in the March 9, 2001, Notice of Deficiency Determination. During this administrative protest the taxpayer has provided the Commission with various documents, schedules, and additional explanation regarding a significant amount of the fuel included within the Deficiency Determination. As a result of the detailed information that has been provided to the Commission, the Commission has agreed to delete a number of the audit adjustments included within the Deficiency Determination. A list of the audit adjustments at issue in this protest is attached to this decision as Appendix A. Those audit adjustments that the Tax Commission is deleting are highlighted in green and red on the attached Appendix.

With respect to the remaining audit adjustments, the taxpayer has not presented sufficient documentation to establish that any of those adjustments should be reversed or modified. As a result, the Tax Commission hereby upholds the Notice of Deficiency Determination as modified in accordance with Appendix A.

WHEREFORE, the Notice of Deficiency Determination dated March 9, 2001, is hereby MODIFIED in accordance with the provisions of this decision, and as so modified is APPROVED, AFFIRMED AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following Idaho fuels taxes, penalty, and interest:

<u>Period</u>	<u>Tax</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
10/99 – 10/00	\$85,396	\$4,270	\$23,884	<u>\$113,550</u>

Interest is calculated through July 31, 2004, and will continue to accrue at the rate set out in Idaho Code § 63-3045(6)(b).

DEMAND for immediate payment of the foregoing amount is hereby made and given.

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this \_\_\_\_\_ day of \_\_\_\_\_, 2004, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]  
[Redacted]

Receipt No.

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