

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18143
[REDACTED])	
)	DECISION
Taxpayer.)	
<hr/>		
)	

On May 21, 2004, the Sales, Use, and Miscellaneous Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination to [Redacted] (taxpayer). The Notice proposed additional sales tax, use tax, and interest in the total amount of \$73,121 for the period September 1, 1999 through December 31, 2003. The taxpayer filed a timely appeal and petition for redetermination on June 28, 2004. This decision upholds the auditor’s findings.

In its petition, the taxpayer requested a redetermination based on financial hardship. The Commission requested income statements and balance sheets as evidence of hardship. The taxpayer provided information by mail on October 22, 2004. In both correspondence and telephone conversations, the taxpayer raised no dispute regarding the liability.

At the taxpayer’s request, the Commission held an informal hearing on January 19, 2005. The taxpayer discussed the business and personal events that led up to the alleged financial hardship.

The taxpayer expressed confusion regarding the tax laws, which led to a discussion of the sales tax statutes as they apply to retail sales, fabrication of goods for resale, and fabrication of goods used to improve real property. In the protest letter, the taxpayer referred to “misinformation from the tax commission in 1988.” After the hearing, the Commission mailed follow-up correspondence to the taxpayer on relevant tax topics.

CONCLUSIONS

This taxpayer is both a retailer and a contractor improving real property. It manufactures

cabinets, sells cabinets at retail, and performs some cabinet installations. Although the taxpayer alleges that the Commission provided erroneous information in 1988, it did not challenge the facts or the conclusions presented by the auditor. The purpose of this decision is to state the legal basis for the imposition of tax and interest when there is a challenge. The taxpayer raised no such challenge. Finally, a decision is not a means for determining the ability of the taxpayer to pay the debt. Therefore, the Commission, having reviewed the audit file and conducted a hearing, upholds the audit findings.

The Commission finds the addition of interest to the taxpayer's liability appropriate per Idaho Code § 63-3045.

WHEREFORE, the Notice of Deficiency Determination dated May 21, 2004, is hereby APPROVED, AFFIRMED and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax and interest:

TAX	INTEREST	TOTAL
\$61,313	\$11,808	\$73,121

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 _____, 2005.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2005, 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]
[REDACTED]

Receipt
