BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of	)	
	)	DOCKET NO. 18270
[Redacted],	)	
	)	DECISION
Petitioner.	)	
	)	

On June 29, 2004, the Income Tax Audit Division of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (collectively referred to as "taxpayer") denying refund claims totaling $202,318 for the 1998 through 2000 taxable years and asserting a tax deficiency for those same years in the total amount of $140,661. On August 31, 2004, the taxpayer filed a timely appeal and petition for redetermination. An informal conference was requested by the taxpayer and was held on March 2, 2005. The Tax Commission, having reviewed the file, hereby issues its decision.

I.

PROCEDURAL BACKGROUND AND STATEMENT OF THE FACTS

[Redacted]. is a [Redacted] corporation that is headquartered in [Redacted], [Redacted]. The company has two primary business segments: (1) the Truck segment and (2) the Financing segment. The Truck segment is engaged in the design, manufacture, and distribution of heavy-duty semi trucks as well as medium and light-duty trucks, related "after market" truck parts, and industrial winches. Among the truck brands manufactured by [Redacted] are the [Redacted] and [Redacted] brands. "Commercial trucks and related replacement parts comprise the largest segment of [Redacted]] business, accounting for 93% of total 2003 net sales and revenues." 2004 Form 10-K, p. 2. The taxpayer distributes its trucks and replacement parts primarily through independent dealers, some of which are located within Idaho.

[Redacted]'s Financing segment "provides financing and leasing arrangements principally for its manufactured trucks through wholly-owned finance companies operating under the [Redacted] trade names." 2004 Form 10-K, p. 4. The Financing segment provides "inventory financing for independent dealers selling [Redacted] products, and retail and lease financing for new and used trucks and other transportation equipment sold principally by its independent dealers." Id.

[Redacted]. and its Idaho nexus subsidiaries have filed worldwide combined unitary group returns for many years. In January 2003, the audit staff conducted a field audit of [Redacted] 1998 through 2000 Idaho returns. A few months prior to the start of the audit the taxpayer filed amended 1998 – 2000 Idaho combined group returns. On those amended returns the taxpayer reduced the numerator of the Idaho sales factor by treating the sale of trucks as taking place at the location of its manufacturing plants, all of which were outside of Idaho. The audit staff reviewed and rejected these amended returns, and also made a number of audit adjustments to the taxpayer's originally filed 1998 – 2000 Idaho combined group returns. The taxpayer has paid the tax and interest asserted in the Notice of Deficiency Determination and is not protesting any of the audit adjustments set out in that NODD other than the imposition of the 10% substantial understatement penalty asserted for 1999 and 2000. The taxpayer has, however, protested the disallowance of the refunds claimed on the 1998 – 2000 amended returns.

Thus, the primary issue in this protest relates to the disallowance of the refund claims. A secondary issue relates to the imposition of the 10% substantial understatement penalty that was applied to the tax deficiency asserted in 1999 and 2000. It should be emphasized that the understatement penalty relates to audit adjustments that are not being protested. In addition,

because the amended returns were not accepted and processed, there is no penalty asserted on those amended returns.

The amount of the NODD, including the disallowed refund claims, is as follows:

Year	Refund claimed	Refund allowed	Tax Due	Penalty	Interest	Total
1998	$48,132	$ -0-	$14,254	$ -0-	$5,272	$19,526
1999	94,163	-0-	52,357	5,236	15,519	73,112
2000	60,023	-0-	36,470	3,647	7,906	48,023
TOTALS	$202,318	$ -0-	$103,081	$8,883	$28,697	$140,661

II.

ISSUES

There are two issues raised in this administrative protest. Those issues are:

1. Whether the gross receipts from [Redacted]'s truck sales, that had originally been included in the Idaho numerator to the extent the sales were made to dealers located in Idaho, should be included in the numerator of the state where the trucks are manufactured.

2. Whether the 10% substantial understatement penalty asserted for the 1999 and 2000 taxable years should be abated.

III.

ANALYSIS

A. The Audit Staff Properly Rejected [Redacted]'s Amended Idaho Corporate Income Tax Returns.

The first issue raised in this protest is whether the Tax Commission's audit staff correctly rejected the amended 1998 through 2000 Idaho combined group income tax returns filed by [Redacted]. [Redacted] asserts that the amended returns it filed correctly calculate the Idaho sales factor in the manner set out in Idaho Code § 63-3027(q)(1); and that the amended returns should, therefore, be accepted. The audit staff, on the other hand, contends that [Redacted] is

incorrectly interpreting the language of Idaho Code § 63-3027(q)(1). The present dispute raises a question of statutory construction.

Under the Idaho Income Tax Act, business income of a corporation is apportioned to the state of Idaho based on that corporation's Idaho apportionment factor. Idaho Code § 63-3027. The Idaho apportionment factor is made up of the property factor, the payroll factor, and the sales factor. Idaho Code § 63-3027(k), (n), and (p). The Idaho sales factor is computed by dividing the corporation's sales taking place within Idaho by its total sales everywhere. Idaho Code § 63-3027(p). The statute goes on to describe the circumstances where a sale will be treated as taking place within Idaho. Idaho Code § 63-3027(q) and (r). It is the interpretation of Idaho Code § 63-3027(q) that is at issue in this protest. As a result, we start our analysis by quoting the express statutory language:

> (q) Sales of tangible personal property are in this state if:
>
> (1) The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale, or
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> (2) The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and
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> (i) the purchaser is the United States government or
>
> (ii) the taxpayer is not taxable in the state of the purchaser.

Id. Subsection (q)(1) sets out the general rule for attributing sales of tangible personal property to Idaho. Subsection (q)(2) sets out the exception to the general rule, which is commonly referred to as the "throwback" rule.

On its original Idaho returns [Redacted]had included in the Idaho sales factor numerator the gross receipts from sales of trucks to dealers located in Idaho. However, sometime in 2002 [Redacted] entered into a contingency fee agreement with [Redacted] for the preparation of

amended state income tax returns. The amended returns prepared by [Redacted] asserted that the gross receipts from [Redacted]'s truck sales should be sourced to the state where the trucks were manufactured. The basis for this position is set out in the letter of protest as follows:

> [Redacted] sells trucks to independent dealers who, in turn, sell them to the ultimate customer. These trucks are shipped by means of a third-party carrier pursuant to instructions from the independent dealers. The trucks are delivered to the carrier at [Redacted]'s factory, all of which are located outside of Idaho. After the carrier inspects finished trucks for visible defects, the carrier takes possession of the trucks at [Redacted]'s factory on behalf of the independent dealer and transports the trucks pursuant to the independent dealer's specifications. Concurrent with the delivery of the trucks to the carrier and the carrier taking possession of the trucks at [Redacted]'s factory, title for the trucks passes to the independent dealer.
>
> Originally[Redacted] sourced these sales ("Truck Sales") to Idaho, based upon where the independent dealers were located. However, on reexamination and further analysis of Idaho's statutes, regulations and other guidance, it was determined that these sales should not be included in Idaho's sales factor numerator based on the fact that these trucks were not delivered or shipped to a purchaser within the State of Idaho. . . .
>
> Pursuant to Idaho Code Sec. 63-3027(q), the State of Idaho sources sales of tangible personal property to Idaho, if:
>
> > "The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale."
>
> Furthermore, Idaho Regulation, Rule 35.01.01.540.02(b), stipulates that:
>
> > "Property is delivered or shipped to a purchaser in Idaho if the shipment terminates in Idaho, even if the property is subsequently transferred to another state by the purchaser."
>
> In this instance the trucks are delivered to a purchaser, the carrier acting on behalf of the independent dealer, at [Redacted]'s factory, all of which are located outside of Idaho. The trucks are subsequently transported to the independent dealers' located in Idaho. In Idaho's regulation stated above, it clearly states that this subsequent transfer should not be the determining factor of whether a sale is sourced to Idaho for purposes of computing the Idaho sales factor numerator.

Letter of protest, pp. 1 – 2.

We find [Redacted]'s construction of the relevant statutory language to be unconvincing. In effect, [Redacted] is asserting that the term "within this state" set out in Idaho Code § 63-3027(q)(1) is modifying the term "delivered or shipped." In addition, [Redacted] asserts that the determination of whether property is delivered or shipped in this state is based on where the title to the property passes. Therefore, under [Redacted]'s reading of the statute, the sale is an Idaho sale if the item is delivered or shipped from a location within Idaho after title to the property has passed to the purchaser. Conversely, if the item is delivered or shipped by the taxpayer from a location outside of Idaho after title has passed to the purchaser, it is not included as an Idaho sale. In the present case, [Redacted] asserts that since the title to the trucks passes to the dealer at the loading docks of [Redacted]'s out-of-state manufacturing plants, the item is being delivered from a location outside of Idaho.

Without putting too fine a point on it, [Redacted]'s reading of the statute is flawed. A more reasonable reading of the statute is that the term "within this state" is modifying the word "purchaser." That is, the sale is treated as taking place within Idaho if the item is being delivered or shipped to a purchaser that is located in Idaho. This is the interpretation that the audit staff has given the statute. This interpretation is also supported by Idaho Income Tax Administrative Rule 540.02. That Rule provides as follows:

> **02. Destination Sales**.
>
> **a.** Property is deemed to be delivered or shipped to a purchaser in Idaho if the recipient is in Idaho even though the property is ordered from outside Idaho. Example: A taxpayer, with inventory in State A, sold one hundred thousand dollars ($100,000) of its products to a purchaser with branch stores in several states including Idaho. The order for the purchase was placed by the purchaser's central purchasing department in State B. Twenty-five thousand dollars ($25,000) of the purchase order was shipped directly to purchaser's branch store in Idaho.

> The branch store in Idaho is the purchaser in Idaho with respect to twenty-five thousand dollars ($25,000) of the taxpayer's sales.
>
> **b.** Property is delivered or shipped to a purchaser in Idaho if the shipment terminates in Idaho, even if the property is subsequently transferred to another state by the purchaser. Example: A taxpayer makes a sale to a purchaser who maintains a central warehouse in Idaho where all merchandise purchases are received. The purchaser reships the goods to its branch stores in other states for sale. All of the taxpayer's products shipped to the purchaser's warehouse in Idaho constitute property delivered or shipped to a purchaser in Idaho.

IDAPA 35.01.01.540.02 (2004) (underlying added for emphasis). The examples set out in Rule 540.02 clearly indicate that it is the location of the purchaser who is receiving the property, not the location where title to the property passes, that is the determinative factor under Idaho's sales factor computation. Furthermore, Income Tax Administrative Rule 540.03 goes on to state that "[t]he term purchaser in Idaho includes the ultimate recipient of the property if at the request of the purchaser the taxpayer in Idaho delivers to or has the property shipped to the ultimate recipient in Idaho." IDAPA 35.01.01.540.03 (2004) (emphasis added). It is difficult to see how a taxpayer reading these administrative rules could conclude that the term "within this state" relates to and modifies the term "delivered or shipped."

It is interesting to note that [Redacted]'s reading of the Idaho sales factor statute creates an odd rubric where the property being sold crosses into or out of Idaho. This rubric can be diagramed as follows:

	Title passes upon shipment	Title passes upon receipt
Property delivered from Idaho	**Idaho Sale**	**Out-of-state sale**
Property delivered to Idaho	**Out-of-state sale**	**Idaho Sale**

The "Idaho sales rubric" being proposed by [Redacted] results in some of its sales to Idaho purchasers being treated as Idaho sales while others are not; depending on when title to the property passes to the purchaser. More specifically, [Redacted] states that the title to the trucks it manufactures generally passes to the purchaser at the loading dock of its manufacturing plants located outside of Idaho. However, [Redacted] also states that the title to the after-market parts and industrial winches it manufactures generally does not pass to the purchaser until that property is received by the purchaser. Thus, on its 1998 through 2000 amended Idaho returns [Redacted] has treated the trucks shipped into Idaho differently from the parts and winches shipped into Idaho. This divergent treatment was explained in a letter from [Redacted]'s tax representative as follows:

> [Redacted]sells trucks to independent dealers who, in turn, sell them to the ultimate customer. These trucks are shipped by means of a third-party carrier pursuant to instructions from the independent dealers. The trucks are delivered to the carrier at [Redacted]'s factory, all of which are located outside of Idaho. After the carrier inspects finished trucks for visible defects, the carrier takes possession of the trucks at [Redacted]'s factory on behalf of the independent dealer and transports the trucks pursuant to the independent dealer's specifications. Concurrent with the delivery of the trucks to the carrier and the carrier taking possession of the trucks at [Redacted]'s factory, title and risk of loss for the trucks passes to the independent dealer. . . . Therefore, [Redacted] filed amended returns for the tax years still open under the Idaho statute of limitations, providing its truck sales should not be included in Idaho's sales factor numerator since these trucks were not ***delivered or shipped*** to a purchaser within the State of Idaho, instead delivery took place at the location of [Redacted]'s manufacturing facilities, all of which are located outside the state of Idaho.
>
> . . .
>
> Parts and winches are both manufactured by the company and purchased from various suppliers. Both the parts and the winch businesses ship their products via common carrier, with title and risk of loss transferring upon being received by the customer (*i.e.* F.O.B. destination). Since [Redacted]'s sales of parts and winches are delivered to its customers via a common carrier, with title passing once the goods are ultimately delivered to the location of the customer, [Redacted] continues to include its sales of

> parts and winches to Idaho customers to the Idaho sales factor numerator. . . . [Redacted] did not change the way that it sourced its sales of parts and winches in the amended returns filed for tax years 1998, 1999 or 2000.

Letter from [Redacted], dated March 2, 2005.

The major flaw in [Redacted]'s proposed reading of the statute, which treats property shipped into Idaho differently depending on when title to that property passes, is that it flies in the face of the last clause of Idaho Code § 63-3027(q)(1) which states that property is delivered or shipped to a purchaser within this state "regardless of the f.o.b. point or other conditions of the sale." [Redacted]'s interpretation of the statutory language makes the f.o.b. point and other conditions of the sale (i.e., when title passes) the determining factor for treating the sale as an Idaho sale or an out-of-state sale. [Redacted] has not provided us with a convincing explanation of how its interpretation of the statute can be squared with the statutory language quoted above.

The purpose of the sales factor is to recognize the contribution of the "market state" in the overall profitability of the taxpayer's business. Making the place of sale dependent on where title to the property passes does not necessarily achieve this purpose. This point has been aptly described by two of the primary drafters of the Uniform Division of Income for Tax Purposes Act (UDITPA):

> Prior to the adoption of the Uniform Act, sales of tangible property such as goods and merchandise were apportioned in a number of ways. . . .
>
> Some states apportioned sales to the state or country where title passes. The arbitrary and unsatisfactory nature of this method has been described as follows:
>
> > Apportionment of sales to the state or country where title passes is hit or miss. The effect of the apportionment will depend wholly upon legal conclusions based upon construction of contracts, terms of way-bills, customs in the business, evidence as to the intention of the parties, and other considerations having little or no relation to the problem of determining where income is earned.

> A few states even apportioned sales to the state or country in which the property sold was manufactured or produced. This method completely ignores the fact that the primary reason for including the sales factor is to give weight to the obtaining of markets, thereby balancing to some extent the property and payroll factors which are apt to be heavily concentrated in the state or country where the production or manufacturing operations are located.
>
> . . . .
>
> The Uniform Act divides sales into two groups, one of which consists of sales of tangible personal property and the other of all other sales. The Act provides that sales of tangible personal property should be apportioned to the state or country of destination, provided the taxpayer is subject to tax in such state or country. If the taxpayer is not subject to tax in the state or country of destination, the sales are apportioned to the state or country from which shipped.

Keesling and Warren, *California's Uniform Division of Income for Tax Purposes Act, Part II*, 15 U.C.L.A.L.R. 655, 670 – 671 (1968) (quoting from G. Altman & F. Keesling, Allocation of Income in State Taxation, 127 (2nd ed. 1950)).

Idaho has adopted almost verbatim that portion of the Uniform Act being discussed by Messers Keesling and Warren. *See* 1965 Idaho Sess. Laws, Ch. 254, § 1, p. 639, 646. Thus, it seems clear that the interpretation of the Idaho statute that is being proposed by [Redacted] in this case is contrary to the legislative purpose as described in the Keesling and Warren law review article quoted above. In short, we find that [Redacted]'s interpretation of Idaho Code § 63-3027(q)(1) does not give effect to the express language of the statute or the legislative purpose of the statute. As a result, we decline to follow [Redacted]'s interpretation.

Another problem we have with [Redacted]'s interpretation of the statute is that it does not fit nicely with the "throwback" exception set out in Idaho Code § 63-3027(q)(2). The throwback exception provides that if the taxpayer is not taxable in the state of the purchaser, or if the purchaser is the United States Government, the sale is attributed to Idaho if the property was

shipped from an office, store, warehouse, factory, or other place of storage in Idaho. *See* Idaho Code § 63-3027(q)(2); IDAPA 35.01.01.540.05 (2004). The throwback exception says nothing about whether the taxpayer is taxable in the state where the title to the goods passes. It seems to us that if the Idaho Legislature intended for the passage of title to be the significant event in determining the source of a sale of tangible personal property for purposes of the Idaho sales factor, it would have made that intent more obvious in the statute.

The final point worth noting is that the weight of authority from other states is clearly contrary to the position advocated by [Redacted]in this administrative protest. While we have not done exhaustive research of other state court decisions involving "dock sales," the few cases we have reviewed all reject arguments similar to the position being advanced by [Redacted] in this protest. For example, in Department of Revenue v. Parker Banana Company, 391 So.2d 762 (Fla. Dist. Ct. App. 1980), the Florida District Court of Appeals rejected the "tortured construction" of the Florida sales factor statute being advanced by the state Department of Revenue. The Florida statute at issue was similar to the language set out in Idaho Code § 63-3027(q) except that Florida had not adopted the "throwback" exception. Thus, under the Florida sales factor statute a sale was considered to take place out of state even if the property was shipped from a point within Florida and the taxpayer was not taxable in the state where the property was being delivered. In an effort to minimize the negative effect on the Florida sales factor relating to property shipped from Florida to a state where the taxpayer was not subject to a corporate income tax, the Florida Department of Revenue argued that "only those sales to out-of-state purchasers who used common carriers to pick up their [goods] could properly be characterized as sales not in this state for purposes of the apportionment formula." Id. at 763. Out-of-state purchasers who use their own vehicles or who use contract carriers to pick up the

goods "take delivery as a matter of law at dockside in [Florida]. Therefore . . . in each such case there is a delivery within this state and the sale is within this state." Id.

The Florida District Court of Appeals was not at all impressed with the argument advanced by the Department of Revenue. According to the Court:

> We disagree with the Department's construction of the statute. In our view, the words "within this state" must refer to the word "purchaser" if the legislative intent is observed. Under our construction of the apportionment statute, a sale is in this state if the sale is to a Florida purchaser and that, in turn, depends on the destination of the goods sold. It matters not whether delivery or shipment occurs in Florida or out of Florida. Our interpretation of the statute accords with the legislative intent to assign to Florida for tax purposes a portion of net income attributable to sales by the taxpayer in the Florida market as determined by the destination of the goods.

Id. The Florida District Court of Appeals then went on to point out that an appropriate fix to the problem confronted by the Department of Revenue would be to adopt a "throwback rule" similar to that found in Section 16(b) of UDITPA and Idaho Code § 63-3027(q)(2). Id. at 764. "Had Florida adopted the throwback rule, the Department might not have felt constrained to take the contorted position it has taken in this case in order to capture [Redacted] sales to out-of-state purchasers." Id. *In accord*, Olympia Brewing Company v. Commissioner of Revenue, 326 N.W.2d 642 (Minn. 1982); Gilmour Manufacturing Company v. Commonwealth, 750 A.2d 948 (Pa. Commw. Ct. 2000); McDonnell Douglas Corp. v. Franchise Tax Bd., 26 Cal.App.4th 1789, 33 Cal.Rptr.2d 129 (Cal. Ct. App. 1994).

While the argument made by the Florida Department of Revenue, and rejected by the Florida District Court of Appeals in Parker Banana, is not exactly the same as the argument advanced by [Redacted] in this case, we find the reasoning of the Florida Court to be persuasive. As pointed out above, the fundamental purpose behind the inclusion of the sales factor in the UDITPA three-factor apportionment formula is to recognize the contribution of the "market

state" in the overall profitability of the taxpayer's business. *See generally* Keesling and Warren, *California's Uniform Division of Income for Tax Purposes Act, Part II*, 15 U.C.L.A.L.R. 655, 668 – 672 (1968) (discussing the purpose of the sales factor). That is, the state where the taxpayer has its customers should be considered in the apportionment of the income derived from the taxpayer's multistate business operations. The determination of the "market state" should not turn on where legal title to the property being sold was transferred or where the property was placed into the possession of the purchaser. A [Redacted] business that sells goods to an Idaho purchaser should include the gross receipts from that sale in the Idaho sales factor numerator regardless of whether the Idaho purchaser goes to [Redacted] to pick up the goods. Likewise, an Idaho business that sells goods to a [Redacted] purchaser should not include the gross receipt from that sale in the Idaho sales factor numerator unless the throwback exception applies.

For the reasons set out above, we find that the term "within this state" is modifying the word "purchaser" and that a sale is treated as taking place within Idaho if the item is being delivered or shipped to a purchaser that is located in Idaho. Where title passes, or whether the property is picked up by the purchaser's own vehicles, is not relevant in the determination.

B. The Commission Will Abate the Penalty.

The second issue in this protest is whether the 10% substantial understatement penalty should be abated. The penalty was asserted for 1999 and 2000 and relates to audit adjustments made to the taxpayer's originally filed Idaho combined group returns. The tax deficiency owed by [Redacted] for the 1999 and 2000 taxable years exceeded the 10% or $10,000 understatement of tax threshold set out in the Idaho statute. *See* Idaho Code § 63-3046(d)(2) – (3). As a result, the audit staff imposed the penalty.

The substantial understatement penalty is set out in Idaho Code § 63-3046(d). Subsection (d)(7) provides that "[t]he state tax commission may waive all or any part of the [substantial understatement penalty] on a showing by the taxpayer that there was reasonable cause for the understatement (or part thereof) and that the taxpayer acted in good faith." I.C. § 63-3046(d)(7). The letter of protest only provides a very cursory discussion of the substantial understatement penalty. According to the letter of protest:

> We are respectfully requesting that the understatement of tax penalties, for tax years 1999 and 2000, be abated. [Redacted] Inc. prides itself on exercising exceptional diligence to comply with all tax laws and filing requirements and was not trying to avoid paying any taxes owed. The increase in tax for these years was due to the interpretation of tax laws between ourselves and the Commission; we feel that our positions were appropriate at the time of filing and would like to request that the penalties for understatement of tax be abated.

Letter of protest, p. 2.

After careful consideration, we find that abatement of the substantial understatement penalty is appropriate in this case. While we strongly disagree with [Redacted]'s interpretation of the Idaho sales factor provision, the penalty at issue here is totally unrelated to the position [Redacted] asserted in its amended return. Rather, the 10% understatement penalty is related to the additional tax owed by the company as a result of a number of audit adjustments including: (1) the incorporation of a federal audit that restated [Redacted]'s 1999 and 2000 consolidated federal taxable income; (2) the restatement of FSC and foreign subsidiary income to conform to the "book" income of those foreign entities as reported on the taxpayer's financial statements; and (3) the correction of a data entry error made on the 2000 Idaho group return. While [Redacted] did not protest these audit adjustments, we find that there are adequate grounds to abate the penalty. Key to this determination is the fact that [Redacted] has been a conscientious Idaho taxpayer in the past and quickly owned up to the errors it made on its 1998 through 2000

Idaho returns. With that being said, we strongly encourage [Redacted] to review its 2001 through 2004 Idaho corporate income tax returns to determine whether the company applied the Idaho sales factor computation in a manner consistent with this decision. If not, then the company should consider filing amended returns. If the "dock sale" issue raised in this protest comes before us again, it is highly likely that any penalty imposed by the audit staff relating specifically to that issue would be upheld.

IV.

CONCLUSION

WHEREFORE, the Notice of Deficiency Determination dated June 29, 2004, is MODIFIED in accordance with the foregoing analysis, and as so Modified is hereby APPROVED, AFFIRMED AND MADE FINAL.

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

Year	Refund allowed	Tax due	Penalty	Interest	Total
1998	$ -0-	$14,254	$ -0-	$5,272	$19,526
1999	-0-	52,357	-0-	15,519	67,876
2000	-0-	36,470	-0-	7,906	44,376
Amount Due prior to application of payments					131,778
Less Amount paid on August 31, 2004:					$(131,778)
TOTAL AMOUNT DUE					$ -0-

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]

Receipt

_____