

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20092
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

[Redacted] (petitioners) protest the Notice of Deficiency Determination issued by the auditor for the Idaho State Tax Commission (Commission) dated January 24, 2007, asserting additional liability for Idaho income tax and interest in the total amounts of \$3,844 and \$5,821 for 2002 and 2003, respectively.

The petitioners ran a business called “[Redacted].” The auditor made numerous adjustments to various claimed expenses and issued the Notice of Deficiency Determination referred to above. In addition, the auditor determined that the forgiveness of debt from [Redacted] should result in additional income to the petitioners.

The petitioners protested the auditor’s findings. In the petitioners’ appeal, they indicated that they would submit additional documentation to document that the auditor’s determination should be modified. However, no such documentation was submitted. Therefore, the Commission now renders their determination based upon the information in the file.

The petitioners stated the following:

I am appealing year 2003 based on the following facts that I will provide documents needed to support the following expenses:

- a) Advertising/donation documents to support donations for schools and church
- b) Advertising documents to [sic] showing advertising for schools
- c) Loan from [Redacted] was reported as income (invoiced) and when paid shortly thereafter was paid as Cost of good sold for \$10,000. This transaction was not imputed

correctly. If cost of goods sold is denied, then income reported needs to be adjusted down by \$10,000.

d) Have documents showing [Redacted] \$3,346 was interest on loan, was incorrectly posted as cost of goods sold

e) Have documents showing all [Redacted] are cost of goods sold, that was assumed by [Redacted] when purchased company.

f) Have documents showing payroll checks that were replaced are valid and not deducted twice

g) Have documents showing that [Redacted] is interest (approximately \$16,000),

h) Have documents showing repairs are valid for repairs for code and safety issues.

i) Appeal buying lunches for employees being disallowed

From a review of the record, there is insufficient information in the file to be able to grant the petitioners any of the relief they have sought. Therefore, the Commission finds that the auditor's determination should be affirmed.

WHEREFORE, the Notice of Deficiency Determination dated January 24, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER the petitioners pay the following tax, penalty, and interest (calculated to January 15, 2008):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$ 2,507	\$752	\$ 737	\$ 3,996
2003	4,215	843	1,017	<u>6,075</u>
			TOTAL DUE	<u>\$10,071</u>

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

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

DATED this _____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2007, 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 No.