

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 20875
[REDACTED],	)	
	)	DECISION
Petitioners.	)	
	)	
	)	
_____	)	

On November 16, 2007, the staff of the Sales Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing sales and use tax, and interest for the period of October 1, 2004, through September 30, 2007, in the total amount of \$2,069.

On January 7, 2008, the taxpayer filed an appeal and petition for redetermination. A hearing before the Commission was held on February 25, 2008.

The taxpayer raises [Redacted], primarily as food animals. Purchasers either hire a mobile butcher or kill the animals themselves. The taxpayer also arranges for [Redacted], although those are held on another larger [Redacted] owned by a different business. The taxpayer did not collect and remit sales tax on its sales of [Redacted] until 2007 when it became aware that the sales were taxable.

Idaho Code § 63-3619 imposes sales tax on retail sales of tangible personal property in Idaho. Idaho Code § 63-3622MM provides an exemption for certain sales of livestock; however, that exemption applies only to sales of cattle, calves, sheep, mules, horses, swine, or goats. It does not apply to sales of [Redacted].

The taxpayer argued that it was not informed that sales of live animals were taxable. The managing member of [Redacted] had formerly been in the cattle business and assumed that sales of [Redacted] were exempt like sales of cattle. Unfortunately, the Commission does not have the

ability to contact each new business that starts in Idaho. The Commission does not believe that the taxpayer intentionally failed to collect sales tax and has not asserted a penalty; however, there is no statutory exemption for sales of [Redacted]. The taxpayer's lack of knowledge does not relieve it of the requirement to collect sales tax on its retail sales.

WHEREFORE, the Notice of Deficiency Determination dated November 16, 2007, is APPROVED, AFFIRMED, and MADE FINAL.

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

<b>TAX</b>	<b>INTEREST</b>	<b>TOTAL</b>
\$1,815	\$290	\$2,105

Interest is calculated through April 30, 2008 and will continue to accrue at the rate set forth in Idaho Code section 63-3045(6) until paid.

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.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_, 2008, 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.  
  
\_\_\_\_\_