

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21092
[REDACTED])	
Petitioner.)	DECISION
)	
)	
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On February 22, 2008, the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination to [Redacted] (petitioner) proposing additional income tax and interest for the taxable year 2005 in the total amount of \$19,441. The petitioner filed a timely protest and petition for redetermination. A hearing was held on August 7, 2008. The Commission, having reviewed the file, hereby issues its decision.

The Commission’s Income Tax Audit Bureau (Bureau) issued a Notice of Deficiency Determination on taxable year 2005 in which the Bureau proposed two adjustments. The first adjustment related to a federal audit. The second adjustment was to reclassify \$83,187,890 of income as business income. The petitioner had treated the \$83,187,890 as non-business income allocated to a [Redacted]. Included in the \$83,187,890 was:

Gain on sale of stock	\$100,901,898
Prior sale purchase price adjustment	(8,106,086)
Interest expense offset	(9,607,922)
Net	<u><u>\$83,187,890</u></u>

The petitioner agrees with the first adjustment relating to the federal audit and has remitted the amount due on that adjustment. After reviewing the information available to the Commission, the Commission accepts the petitioner’s treatment of the \$83,187,890 as non-business income.

WHEREFORE, the Notice of Deficiency Determination dated February 22, 2008, is hereby MODIFIED, AFFIRMED and MADE FINAL.

Since the petitioner has already remitted the additional amount due on the first adjustment, no additional amount is due.

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

DATED this _____ day of _____, 2009.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2009, 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.
