

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 21267
[REDACTED],)
) DECISION
Petitioner.)
_____)

On May 12, 2008, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing sales and use tax, penalty, and interest for the period of December 1, 2006, through December 31, 2006, in the total amount of \$2,318.

On July 7, 2008, the taxpayer filed a timely appeal and petition for redetermination. The Commission held an informal hearing with the taxpayer on February 12, 2009.

At issue in this case is use tax imposed on the value [Redacted]. The taxpayer registered the vehicle [Redacted] in December of 2005. The taxpayer paid for the vehicle with corporate funds and the corporation was named as the owner on the title. In December 2006, [Redacted], the owner [Redacted] brought the vehicle to Idaho. [Redacted] wife used the vehicle in Idaho for more than a year.

Idaho Code § 63-3621 imposes a use tax on the storage, use, or consumption of tangible personal property in Idaho. The use tax is a complementary tax to the sales tax. Every state that imposes a sales tax also imposes a use tax.

There are no statutory exemptions that apply to the taxpayer's use [Redacted] in Idaho. The exemption provided by subsection 63-3621(l) for "personally owned motor vehicles" brought to Idaho by a new resident does not apply because the vehicle was owned by a corporation, not an individual.

The nonresident exemption provided by subsection 63-3621(k) is inapplicable because the vehicle was present in Idaho for more than ninety days in 2006 and 2007.

The taxpayer argues that the vehicle was transferred “from himself to himself” and that there should be no tax due. Actually, the title was never transferred to a different owner. The corporation still owns the vehicle. The use of the vehicle became taxable when the taxpayer brought it to Idaho with the intention of keeping it here permanently.

WHEREFORE, the Notice of Deficiency Determination dated May 12, 2008, is APPROVED, AFFIRMED, and MADE FINAL.

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

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$1,706	\$427	\$259	\$2,392

Interest is calculated through March 20, 2009, and will continue to accrue at the rate set forth in Idaho Code § 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 included.

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.
