

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21399
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On June 20, 2008, the staff of the Sales Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (taxpayer) proposing use tax, penalty, and interest for the period of January 1, 2004, through December 31, 2007, in the total amount of \$5,928.

On August 20, 2008, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer called the Commission and stated that he wanted to hold an informal hearing. The hearing was scheduled for March 26, 2009, but the taxpayer failed to appear.

At issue is the imposition of use tax on the purchase of a [Redacted] is one of the owners [Redacted]. During the course of a sales tax audit of [Redacted], the auditor found a purchase invoice for a [Redacted]a company headquartered [Redacted]. The invoice showed a sales price of \$47,250. It appeared to be a bill for a partial payment. It did not indicate that the seller collected sales tax. The vehicle was incorrectly shown as an asset on [Redacted]general ledger with a book value of \$84,371.83[Redacted] did not purchase [Redacted] and does not own it. It was purchased and owned by the taxpayer. The Commission then issued the NOD to the taxpayer imposing tax on the [Redacted], which is \$87,200.

[Redacted] protest letter stated that the seller, which he stated was [Redacted] were related companies and are both now bankrupt), charged sales tax when he purchased [Redacted].

He also stated that the receipt he gave the county when he registered [Redacted] was adequate and that he did not have to pay tax again.

The taxpayer gave the Commission a copy of a handwritten bill of sale for a [Redacted] from an individual showing a sales price of \$7,600. Contrary to the taxpayer's statement that he did not have to pay tax [Redacted], the county collected \$70 in tax, which would indicate a purchase price of \$1,400.

Idaho Code § 63-3621 imposes a use tax on the storage, use, or other consumption of tangible personal property in Idaho. Idaho Code § 63-3623 states that the new owner of [Redacted] must show evidence of payment of the sales tax or use tax [Redacted].

This case presents several factual contradictions. First, the taxpayer stated that he paid sales tax to the seller. This is unlikely because [Redacted] provides an exemption for sales of [Redacted] to nonresidents. The taxpayer was an Idaho [Redacted].

Next, the taxpayer provided a handwritten bill of sale from an individual when he acknowledges that he [Redacted] [Redacted]. Also, the purported bill of sale shows a sales price of \$7,600 for a [Redacted] of \$87,200.

Finally, the county collected tax on only \$1,400 not on the \$7,600 that the taxpayer states that he paid. Because the taxpayer has left these contradictions unexplained, the Commission must affirm the NOD.

WHEREFORE, the Notice of Deficiency Determination dated June 20, 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>
\$4,290	\$1,073	\$740	\$6,103

Interest is calculated through April 24, 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 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.