

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 22215
[REDACTED])	
)	DECISION
Petitioners.)	
_____)	

[Redacted] (petitioners) protest the Notice of Deficiency Determination issued by the auditor for the Idaho State Tax Commission (Commission) dated July 24, 2009, asserting an additional liability for Idaho income tax and interest in the total amount of \$244.68 for 2008.

The sole issue is whether the petitioners are entitled to a credit for Idaho income tax allegedly withheld by a partnership in which the petitioners held an interest. The partnership did a small part of its business in Idaho.

On the K-1 from the partnership, under the heading of “Modifications of Apportionable Income – Additions,” is the amount of \$480 and the note “SEE STATEMENT.” The statement shows as “TOTAL” the amount of \$480 and as “IDAHO” the amount of \$43. The petitioners contend from this that they are entitled to a credit for taxes withheld and paid to the state of Idaho in the amount of \$480.

In a letter to the petitioners, it was related that the amounts (\$480 and \$43) on the K-1 may actually reflect state and local taxes paid and deducted by the partnership that would need to be added back on the partner’s return and that it probably did not reflect Idaho income tax withheld and paid to the Commission. The petitioners were invited to send documentation demonstrating that the amount they claimed was actually paid to the Commission. They submitted nothing in response.

It is a long established tenet of tax law that tax credits are matters of legislative grace, and the burden is on taxpayers to demonstrate clearly that they are entitled to the credit. Shumacher v. United States, 931 F.2d 650, 652 (10th Cir.1991). The petitioners have clearly failed to carry their burden in this matter. Accordingly, the relief they seek must be denied.

WHEREFORE, the Notice of Deficiency Determination dated July 24, 2009, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax and interest (computed to May 15, 2010):

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$242	\$13	\$255

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

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

DATED this _____ day of _____ 2010.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2010, 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.
