

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 24086
[Redacted],)
)
)
) Petitioners.) DECISION
)
_____)

BACKGROUND

On April 14, 2011 the Income Tax Audit Bureau (Audit) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (Petitioners) in the amount of \$51,106. The Petitioners are non-resident shareholders in [Redacted], a multistate S-Corporation with a [Redacted] facility in [Redacted], Idaho. The Petitioners’ primary source of Idaho income is the flow-through income from the S-Corporation and the gain associated with the sale of corporate assets.

ISSUE

1. Whether the gain adjustment made [Redacted] will be upheld and whether the Petitioners’ portion will flow-through to their return.

DISCUSSION

At the time of the protest, the Petitioners’ representative requested a redetermination in conjunction with [Redacted] redetermination. The tax liability of the S-Corporation would determine the amount of gain passed through to the Petitioners. The Commission informed the Petitioners’ representative that [Redacted] had withdrawn their protest and reminded him that the Petitioners were still entitled to a hearing and had a right to submit any information for consideration. To date, no response has been received.

CONCLUSION

The taxable gain passed through to the Petitioners from the S-Corporation was upheld when the Corporation withdrew their protest. No new information or position was offered by the Petitioners. The Commission agrees with Audit that the pass-through is correct.

THEREFORE, the NODD dated April 14, 2011, and directed to the Petitioners is hereby AFFIRMED by this decision.

As set forth in the enclosed explanation, the Petitioners must deposit with Tax Commission 20 percent of the total amount due in order to appeal this decision.

DATED this _____ day of _____ 2012.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2012, 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.
