

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21339
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On May 30, 2008, the staff of the Sales, Use, and Miscellaneous Tax Audit Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (Notice) to [Redacted] (taxpayer) proposing sales tax, use tax, penalty, and interest for the period July 1, 2003, through June 30, 2006, in the total amount of \$152,514. For the reasons that follow, the Commission upholds the audit findings for an adjusted amount.

On July 15, 2008, the taxpayer filed a timely appeal and petition for redetermination of the Notice. After filing its petition, the Commission met with the taxpayer at the latter's request. The taxpayer argued that the audit was not adequately completed, did not use practical assumptions, and that its methods for sampling and extrapolation for the purpose of asserting a liability were not accurate. At this conference, the Commission agreed to conduct additional audit fieldwork.

Following additional audit fieldwork and a calculation of a lower liability, the Commission wrote to the taxpayer extending its rights to an informal hearing pursuant to Idaho Code § 63-3045(2). The Commission sent letters on September 18, 2012, December 14, 2012, and January 9, 2013. As of the date of this decision, there has been no response.

The Taxpayer did not provide evidence adequate to establish that the amount asserted in the Notice is incorrect. As a result, the Commission will uphold the Notice. A determination of the State Tax Commission is presumed to be correct (Albertson's, Inc. v. State, Dept. of

Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 1984) and the burden is on the taxpayer to show that the deficiency is erroneous (Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2 Ct. App. 1986.)

Absent information to the contrary, the Commission finds the Notice prepared by the Bureau to be an accurate representation of the taxpayer's sales and use tax liability for the period July 1, 2003, through June 30, 2006.

The Bureau added interest and penalty to the sales and use tax deficiency. The Commission reviewed those additions, found both to be appropriate per Idaho Code sections 63-3045 and 63-3046, and has updated interest accordingly. Interest is calculated through May 13, 2013, and will continue to accrue at the rate set forth in Idaho Code § 63-3045(6) until paid.

THEREFORE, the Notice of Deficiency Determination dated May 30, 2008, is hereby APPROVED, in accordance with the provisions of this decision, and is 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>
\$28,292	\$1,414	\$12,414	\$42,120

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 _____ 2013.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2013, 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.
