

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23220
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On June 4, 2010, the Idaho State Tax Commission’s (Commission) Income Tax Audit Bureau (ITA) issued a Notice of Deficiency Determination (NODD) to [Redacted] (petitioner) proposing additional income tax, penalty, and interest for taxable years 2004, 2005, 2006, 2007, and 2008 in the total amount of \$43,091. The petitioner filed a timely protest and petition for redetermination (Petition). The petitioner did not request a section 63-3045(2), Idaho Code, hearing. The Commission, having reviewed the file, hereby issues its decision.

In the petition, part of the adjustments to the petitioner’s Idaho taxable income for a couple of the tax years involve adjustments that flowed through to the petitioner from his ownership interest in two pass-through entities (hereafter “PTE1 and PTE2). PTE1 and PTE2 had filed a protest relating to adjustments made by the ITA in calculating the amount of income generated by each pass-through entity subject to Idaho’s jurisdiction to tax. The petitioner requested, and the Commission agreed, to hold the petitioner’s petition in abeyance until the protested issues involving PTE1 and PTE2 were resolved.

On September 24, 2010, the Commission issued a decision in Docket No. 21958, favorable to PTE1 which resulted in vacating ITA’s adjustments that flowed through and impacted the petitioner’s Idaho taxable income.

On November 28, 2011, the Commission issued a decision in Docket No. 23221 upholding the ITA’s adjustments to PTE2, that flowed through and impacted the petitioner’s

Idaho taxable income. In late 2012, the PTE2 prevailed in litigation when an Idaho district court ruled in favor of PTE2 and vacated the Commission's decision in Docket No. 23221.

On March 13, 2013, the Commission issued a letter to the petitioner informing the petitioner of his appeals right, and attaching a modified NODD that incorporated the resolution of the PTE1 and PTE2's protests.

Having not received any response from the petitioner regarding the remaining issues as identified in the Commission's March 13, 2013, letter, the Commission upholds the adjustments proposed by the ITA in its modified NODD except that the Commission declines to assess the penalties proposed in the modified NODD.

THEREFORE, the Notice of Deficiency Determination dated June 4, 2010, as subsequently modified on March 13, 2013, and directed to the petitioner is hereby AFFIRMED AS MODIFIED by this decision.

IT IS ORDERED that the petitioner pay the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	126	56	182
2005	(172)	(66)	(238)
2006	1,176	374	1,550
2007	301	73	374
2008	26	5	31
		TOTAL DUE	<u><u>\$1,899</u></u>

Interest is calculated through August 15, 2013 and will continue to accrue at the rate set forth in section 63-3045, Idaho Code.

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

An explanation of the petitioner'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.
