

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 25410
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On September 14, 2012, 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] (Petitioner), proposing use tax and interest for the period April 1, 2009, through March 31, 2012, in the total amount of \$30,431.

On November 11, 2012, the Petitioner filed a timely appeal and petition for redetermination of the Notice. At the Petitioner’s request, the Commission held an informal hearing on February 10, 2015. Present at the hearing were Commissioner [Redacted], Deputy Attorney General [Redacted], and Tax Policy Specialist [Redacted].

The Commission is fully advised of the contents of the audit file, as well as information obtained at the hearing and thereafter, and hereby issues its decision upholding the audit findings.

Background and Audit Findings

The Petitioner specializes in [Redacted] for [Redacted], and other businesses. They occasionally sell the [Redacted] to other contractors who arrange for [Redacted] on their own; however, the majority of the time the [Redacted] are either [Redacted] by the Petitioner or by a subcontractor hired by the Petitioner.

The Bureau conducted a routine audit of the Petitioner’s business for the purpose of determining sales and use tax law compliance. After its review, the Bureau asserted errors in the

examination of fixed asset purchases, ordinary purchases, credit card purchases, extraordinary purchases, and direct cost materials.

The Petitioner agreed with most of the Bureau's findings, with the exception of specific purchases held taxable in both the examination of ordinary purchases and direct cost materials.

These issues were addressed during the informal hearing in which the Petitioner was offered time to provide additional documentation for review. Additional documentation was provided and as a result, the Bureau made adjustments to the original Notice and resolved each of the protested issues. Copies of the adjusted work papers were sent to the Petitioner and the Petitioner was given the opportunity to withdraw its protest. The Commission did not receive a response from the Petitioner.

The Commission finds the adjusted deficiency prepared by the Bureau to be a reasonably accurate representation of the Petitioner's sales and use tax liability for the period April 1, 2009, through March 31, 2012.

The Bureau added interest to the sales and use tax deficiency. The Commission reviewed the addition and found it to be appropriate per Idaho Code § 63-3045 and has updated interest accordingly. Interest is calculated through November 30, 2015, 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 September 14, 2012, is hereby MODIFIED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

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

<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$24,447	\$4,351	\$28,798
	Payment 03/09/15	(\$27,234)
	Balance Owing	\$ 1,564

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 _____ 2015.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2015, 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.
