

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
[Redacted])	DOCKET NO. 0-949-421-056
)	
Petitioner.)	DECISION
_____)	

This case arises from a timely protest of a Notice of Deficiency Determination (Notice) issued by the Tax Discovery Bureau (Bureau) to [Redacted] (Petitioner) for taxable years 2006 through 2015 in the amount of \$180,474. The Idaho State Tax Commission (Commission) after a thorough review of the matter upholds the Notice issued to Petitioner.

THEREFORE, the Notice dated August 4, 2017, and directed to Petitioner, is AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$12,134	\$3,034	\$6,170	\$21,338
2007	18,911	4,728	8,297	31,936
2008	14,447	3,612	5,411	23,470
2009	9,406	2,352	3,053	14,811
2010	10,113	2,528	2,806	15,447
2011	14,979	3,745	3,552	22,276
2012	10,298	2,575	2,062	14,935
2013	10,281	2,570	1,721	14,572
2014	9,051	2,263	1,153	12,467
2015	8,012	2,003	700	<u>10,715</u>
			TOTAL DUE	<u>\$181,967</u>

Interest computed through September 20, 2018.

DEMAND for immediate payment of the foregoing amount is hereby made and given. The Commission upheld the decision by the Bureau for the reasons discussed below.

BACKGROUND

During a review of taxpayer data, the Bureau found Petitioner did not file Idaho corporation income tax returns for taxable years 2006 through 2015. The Bureau determined Petitioner was transacting business in the state and had income attributed to the state. The Bureau using both Commission and third party information determined Petitioner was required¹ to file Idaho corporation income tax returns for taxable years 2006 through 2015. The Bureau sent Petitioner a business income tax non-filer letter and Petitioner did not respond. The Bureau prepared returns for Petitioner and sent a Notice.

Petitioner protested the Notice and the Bureau accepted the protest. However, with no further communication from Petitioner the Bureau transferred the matter for administrative review.

The Commission reviewed the matter and sent Petitioner a letter giving Petitioner two alternative methods available for redetermining a protested Notice. Petitioner did not request a hearing, nor provided any additional information. When Petitioner did not file the outstanding returns, the Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code states in part, that every corporation² which is transacting business in

¹ **Idaho Code § 63-3030. Persons required to make returns of income.** (a) Returns with respect to taxes measured by income in this chapter shall be made by the following: (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code. (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500). (3) Every corporation which is transacting business in this state, authorized to transact business in this state or having income attributable to this state, unless exempt from the tax imposed in this chapter.

² See footnote 1.

the state or have income attributable to the state shall file an Idaho corporation income tax return. The information gathered by the Bureau clearly show Petitioner had income attributable to the state for taxable years 2006 through 2015.

CONCLUSION

On appeal, a deficiency determination issued by the Commission “is presumed to be correct, and the burden is on the taxpayer to show that the Commission’s decision is erroneous.” *Parker v. Idaho State Tax Comm’n*, 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson’s Inc. v. State Dep’t of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The Commission requires Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioner did not provide adequate evidence.

Petitioner had income attributable to the state of Idaho during taxable years 2006 through 2015. Petitioner was required to file Idaho corporation income tax returns. The Idaho corporation income tax returns the Bureau prepared for Petitioner included all of Petitioners’ known income and allowable deductions.

The Bureau added interest and penalty to Petitioner’s income tax liability. The Commission reviewed those additions and found them appropriate and in accordance with Idaho Code §§ 63-3045 and 63-3046.

An explanation of Petitioner’s right to appeal this decision is enclosed.

DATED this _____ day of _____ 2018.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2018,
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.
