

The Bureau acknowledged the protest and allowed Petitioner the additional time requested. The Bureau made two additional requests for the missing returns, but Petitioner did not comply. The Bureau then referred the matter to the Tax Commission's Appeals (Appeals) unit for administrative review. Petitioner did not respond to Appeals' letter outlining its options for redetermining the protested Notice. A follow-up letter also went unanswered and to date, Petitioner has not filed the missing Idaho Corporation returns.

ANALYSIS

Petitioner does not contest its requirement to file Idaho corporate income tax returns and has filed corporate returns in the past. What Petitioner objects to is the way its tax was determined, by an estimate. The Tax Commission acknowledges the Bureau's determination of Petitioner's net income for the years shown in the Notice is an estimate. However, in the absence of actual returns submitted by Petitioner, the Tax Commission finds the Bureau's calculation of Petitioner's net income to be reasonable. To determine Petitioner's net income, the Bureau took gross receipts from Petitioner's 2013 Idaho corporate return, multiplied by 5%, and then increased that number by another 5% each succeeding year. Realizing Petitioner must have incurred expenses in the production of income, the Bureau also estimated business expenses¹ and allowed a deduction from gross income.

CONCLUSION

In Idaho, it is well established that a Tax Commission Notice is presumed to be correct, and the taxpayer bears the burden of showing the deficiency is erroneous. *See Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986) (citing *Albertson's Inc. v.*

¹ Business expenses were based on an 89% average of all other expenses from the 2011 through 2013 corporation returns filed with Idaho.

State, Dept. of Revenue, 106 Idaho 810, 814 (1984)). In the present matter, Petitioner disagreed with the net income amount but failed to provide anything contrary. Therefore, the Tax Commission upholds the Bureau's determination.

The Bureau added interest and penalty to Petitioner's tax deficiency. The Tax Commission reviewed those additions and found them to be appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

THEREFORE, the Notice dated February 15, 2017, and directed to [REDACTED]

[REDACTED] is AFFIRMED.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest, computed to July 24, 2020:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$1,261	\$315	\$266	\$1,842
2015	1,325	331	227	1,883
2016	1,393	348	186	1,927
2017	1,493	373	151	<u>2,017</u>
			TOTAL DUE	\$7,669

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

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

DATED this _____ day of _____ 2020.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2020,
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:



Receipt No.
