

In the Matter of the Protest of

Petitioner.

DECISION

letter states that the bookkeeper who worked for Petitioner in 2021 was no longer there and unable to help. The letter requested additional time to research information not readily available.

On August 2, 2024, the Bureau responded to Petitioner's email and requested additional details on the payments, such as statements or copies of payments listing check numbers or transactions. Tax Commission records indicated payments only on the first three dates listed. The Bureau also reminded Petitioner that no Form 967 or W-2s had been received yet and requested copies of the documents.

On August 8, 2024, the Bureau sent a letter acknowledging the protest and requesting the same information in the email response on August 2. The Bureau requested the information by September 9, 2024. Enclosed with the letter was a response form. On this form, Petitioner could withdraw the protest or indicate the desire to continue the protest. Options for continuing included sending additional information to support the protest position, filing an actual or amended return, or requesting to have the file forwarded to the Tax Commission's Tax Appeals unit (Appeals).

Petitioner's contact person spoke with the Bureau on September 11, 2024, stating that he knew more payments had been sent than what was allowed in the Notice. The Bureau researched and found that three payments had been credited to Petitioner's income tax account instead of withholding account. Petitioner's contact person requested those payments be moved and credited properly, which the Bureau did, bringing total withholding payments to \$79,629. Based on these additional payments, the Bureau sent Petitioner a modified Notice dated September 16, 2024, for \$98,094 tax plus penalty and interest. A new protest response form was sent with the modified Notice, giving the same options as the original sent August 8.

The Bureau tried to contact Petitioner's contact person by email and by phone multiple times, but no further conversation was had, and no additional information was provided. The

Bureau forwarded the case to Appeals. Appeals sent Petitioner letter on January 13 and March 19, 2025, providing the options available for redetermining a protested Notice. These letters garnered no response, so the Tax Commission must make its decision based on the information currently available.

Law & Analysis

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 wrong. *See Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986) (citing *Albertson's Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814 (1984)). The Tax Commission requires Petitioner to provide adequate evidence to show that the amount asserted in the Notice is incorrect. Petitioner has not done so. Petitioner has not filed Form 967, provided actual W-2s, or shown proof of any withholding payments other than those the Bureau allowed in the modified Notice. The Tax Commission has confirmed that the payments the Bureau allowed are the only ones processed on Petitioner's withholding account.

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

Conclusion

Petitioner's employees reported Idaho withholding exceeding the payments received. Petitioner has not provided the forms necessary to reconcile the payments with the amounts claimed.

THEREFORE, the modified Notice dated September 16, 2024, is hereby UPHOLD and MADE FINAL.

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>
2021	\$98,094	\$2,000	\$17,119	\$117,213

The Tax Commission DEMANDS immediate payment of this amount. Interest is calculated in accordance with Idaho Code section 63-3045.

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

DATED this _____ day of _____ 2025.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2025,
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.
