

Petitioner's representative protested the Notices but did not dispute its requirement to file an Idaho income tax return for tax year 2020. Instead, the representative argues that the Notices do not correctly reflect Petitioner's income and expenses for 2018 through 2020.

The Bureau acknowledged the protest and allowed Petitioner additional time to submit amended returns for 2018 and 2019, and a return for 2020. Petitioner did not provide any returns. The Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals sent Petitioner a letter explaining the options available for redetermining a Notice. Petitioner responded but did not request an informal hearing. After Appeals allowed Petitioner several extensions of time, Petitioner submitted amended returns for 2018 and 2019. Appeals forwarded these amended returns to the Bureau, and the Bureau processed them as amended by Petitioner. Therefore, the Tax Commission modifies the 2018-2019 Notice for the amount passed through to its shareholders based on Petitioner's amended returns. However, Petitioner has yet to file a return for 2020. The Tax Commission decides the matter based upon the information available for tax year 2020.

LAW AND ANALYSIS

The filing requirements for an S-Corp is set forth in subsection (4) of Idaho Code section 63-3030(4) and provides that "every corporation reporting as an S corporation pursuant to Internal Revenue Code section 1361 through 1379 to the federal government, which is transacting business in this state, or is authorized to transact business in this state" must make a return with respect to taxes measured by income.

Petitioner does not deny it must file an Idaho income tax return for tax year 2020. Instead, Petitioner argues the Bureau's calculation of their Idaho taxable income is incorrect as the Notice doesn't accurately reflect its income and expenses.

Petitioner carries the burden of showing the Tax Commission's deficiency determination is erroneous. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). In the present case, Petitioner did not file an Idaho return for tax year 2020; therefore, Petitioner has not met that burden for tax year 2020. Since Petitioner failed to show the Bureau's return was in error, the Tax Commission upholds the Bureau's determination for tax year 2020.

CONCLUSION

Petitioner filed amended Idaho returns for 2018 and 2019; therefore, the Tax Commission modifies the 2018-2019 Notice based on Petitioner's amended returns. Since Petitioner is a flow-through entity, the additional tax owed flowed through to its shareholders for tax years 2018 and 2019.

For tax year 2020, Petitioner met the requirements to file its Idaho S-Corporation income tax return but failed to do so and Petitioner did not show that the 2020 return the Bureau prepared was incorrect. The Tax Commission reviewed the 2020 return the Bureau prepared and found it reasonable based on the information available. Therefore, the Tax Commission upholds the 2020 Notice.

The Bureau added interest and penalty to Petitioner's Idaho tax for 2020. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046. Interest is computed to April 10, 2024.

THEREFORE, the 2020 Notice dated October 27, 2022, directed to
is AFFIRMED.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020	\$20	\$10	\$2	\$32

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

DATED this _____ day of _____ 2024.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2024,
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.
