

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 0-395-412-480
	)	
	)	
Petitioners.	)	DECISION

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The Central Processing Bureau (Bureau) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Refund Determination (Notice) to

(Petitioners) for tax year 2021 denying their refund claim and asserting a tax due. In response, Petitioners submitted additional information.

The Bureau accepted the additional information in part, partially reduced the tax assessed, and issued a Modified Notice. Petitioners appealed the Modified Notice. The Tax Appeals Unit notified Petitioners of their options but didn't receive a response. The Tax Commission has reviewed the file and hereby issues its decision to affirm the Bureau's Modified Notice.

Petitioners are pass-through owners of an S corporation. In May 2021, Petitioners made a \$17,832 payment (Check No. 3493) and directed the Tax Commission to apply the payment to their individual income tax account for tax year 2020 as a return payment. In December 2021, Petitioners made a \$15,000 payment (Check No. 3522) and directed the Tax Commission to apply the payment to the S corporation's account for tax year 2021 as an estimated payment.

In June 2022, Petitioners filed an Idaho individual income tax return for tax year 2021 and claimed \$32,832 in estimated tax payments. ( $\$17,832 + 15,000 = \$32,832$ ). The Tax Commission records showed Petitioners hadn't made any estimated tax payments for the tax type and tax year in question. The Bureau requested Petitioners provide documentation supporting their individual

income tax prepayments but didn't receive a response. Therefore, the Bureau disallowed the estimated payments claimed and issued a Notice.

In response, Petitioners provided copies of Check Nos. 3493 and 3522. Concerning Check No. 3493, the Bureau determined Petitioners couldn't claim the \$17,832 payment for tax year 2021 because it was applied to their 2020 tax liability. Concerning Check No. 3522, the Bureau determined Petitioners could claim the \$15,000 payment for tax year 2021 and moved the payment from Petitioners' S corporation account to their individual income tax account.<sup>1</sup> Petitioners appealed disagreeing with the Modified Notice, including the assessment of penalty and interest.

Petitioners directed the Tax Commission to apply Check No. 3493 for \$17,382 to their individual income tax account for tax year 2020. The Tax Commission applied Check No. 3493 to Petitioners' 2020 tax liability as directed by Petitioners. Therefore, Petitioners can't claim the \$17,832 payment on their 2021 individual income tax return.

The Bureau added interest, late file penalty, and late pay penalty to the income tax deficiency. The Tax Commission reviewed those additions, found both to be appropriate per Idaho Code sections 63-3045 and 63-3046, and has updated penalty and interest accordingly. Penalty and interest is calculated through October 16, 2023, and will continue to accrue at the rate set forth in Idaho Code until paid.

THEREFORE, the Modified Notice of Refund Determination dated September 1, 2022, is hereby APPROVED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$10,464	\$1,046	\$638	\$12,148

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<sup>1</sup> The Tax Commission notes Petitioners didn't claim the estimated payment on their S corporation return.  
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DEMAND for immediate payment of the foregoing amount is hereby made and given.

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2023,  
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.

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