

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 0-401-703-936
)	
)	
Petitioners.)	DECISION
_____)	

This case arises from a timely protest of a Notice of Deficiency Determination (Notice) issued to (Petitioners) for taxable year 2021. The Idaho State Tax Commission (Commission) after a review of the matter upholds the Notice issued to Petitioners for the reasons discussed below.

THEREFORE, the Notice dated June 8, 2022, and directed to Petitioners is AFFIRMED.

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

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$1,600	\$87	\$1,687

Interest is computed through August 28, 2023.

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

BACKGROUND

Petitioners filed their 2021 Idaho individual income tax return claiming a credit for estimated tax payments. During the processing of Petitioners’ return, the Revenue Operations Division - Taxpayer Accounting Section (Revenue Operations) identified possible errors. Revenue Operations reviewed Petitioners’ return and found that Petitioners claimed a credit for estimated tax payments that did not match the Commission’s records. Revenue Operations adjusted Petitioners’ return and issued them a Notice that reflected the actual amount of their estimated tax payments. Petitioners protested the Notice and provided copies of four checks which they claim

substantiate their position. Revenue Operations accepted Petitioners' protest and transferred the matter to the Commission's Tax Appeals Unit (Appeals) for administrative review.

Appeals sent Petitioners a letter containing two methods for redetermining a protested Notice. Petitioners did not respond to the redetermination letter, nor did they provide any additional information. Therefore, the Commission decided the matter based upon available information.

ANALYSIS

Petitioners filed their 2021 Idaho individual income tax return claiming estimated payments of \$6,400. The Commission received Petitioners' payments; however, the Commission did not apply all the payments to Petitioners' 2021 tax year. One of Petitioners' payments, the \$1,600 now in dispute, the Commission applied to another tax due year and refunded the difference to Petitioners. Petitioners may not have realized what the Commission did or what the refund was for, but it changed the amount of their estimated payments available for tax year 2021.

Regardless of how Petitioners' payments were applied, Petitioners net payments for tax year 2021 were less than the amount claimed. Therefore, the adjustment to Petitioners' estimated tax payments must be upheld.

CONCLUSION

Petitioners filed their 2021 Idaho individual income tax return claiming a credit for estimated payments that did not match the Commission's records. Petitioners protested and provided copies of four checks to substantiate their position. However, one of their estimated payments was credited to another tax year, reducing the total amount of payments available for 2021. As a result, the Commission upholds the Notice issued to Petitioners.

Revenue Operations added interest to Petitioners' income tax liability. The Commission reviewed this addition and found it appropriate and in accordance with Idaho Code section 63-3045.

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
Postal Service, postage prepaid, in an envelope addressed to:

Receipt No.
