

since Petitioner did not claim it on their 2021 return. The Bureau issued a Notice reflecting these adjustments.

In response to the Notice, Petitioner's representative provided the Bureau with additional information regarding the ITC for the grain bin and the 7-tower pivots. The Bureau reviewed the information and determined that it did not fully substantiate the costs of these assets. Therefore, the Bureau made no adjustments to the Notice. The Bureau acknowledged the protest and referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals sent Petitioner and the representative a letter explaining the options available for redetermining a Notice. The representative responded and provided additional information but did not request an informal hearing. Having reviewed the case, the Tax Commission hereby issues its final decision.

LAW AND ANALYSIS

Idaho Income Tax Administrative Rule 716.01., states in pertinent part,

Each taxpayer must retain and make available, on request, records for each item of property included in the computation of the investment tax credit claimed on an income tax return subject to examination. The records must include all of the following:

- a. A description of the property;
- b. The asset number assigned to the item of property, if applicable;
- c. The acquisition date and date placed in service;
- d. The basis of the property;
- e. The class of the property for recovery property or the estimated useful life for nonrecovery property;
- f. The designation as new or used property; ...

Idaho Income Tax Administrative Rule 716.02., provides,

Accounting records that may need to be examined to document acquisition, disposition, location, and utilization of assets include the following:

- a. Accounting documents that contain asset and account designations and descriptions. These documents include a chart of accounts, the accounting manual, controller's manual, or other documents containing this information.

- b. Asset location records including asset directories, asset registers, insurance records, property tax records, or similar asset inventory documents.
- c. Records verifying ownership including purchase contracts and cancelled checks.
- d. Invoices, shipping documents, and similar documents reflecting the transfer of assets in and out of Idaho...”

For tax year 2020, Petitioner’s ITC equipment list shows \$2,053,644 as the total cost of the grain bin. Petitioner substantiated a portion of the cost, \$439,692, but has yet to provide any other documentation related to the total cost of the grain bin.

As for the 7-tower pivots, Petitioner identified them as used property in their 2021 ITC equipment list. Petitioner provided the description and the cost of the assets; however, they did not provide invoices, shipping documents, or similar documents related to these assets.

CONCLUSION

The Tax Commission found that Petitioner is not entitled to the ITC for the grain bin and the 7-tower pivots due to a lack of substantiation. The Bureau applied the ABE tax paid on Petitioner’s behalf to tax year 2021, which resulted in a refund; therefore, the Bureau added interest. The Tax Commission found the addition of interest appropriate and in accordance with Idaho Code section 63-3045.

THEREFORE, the Tax Commission AFFIRMS the Notice dated May 9, 2024, directed to Petitioner.

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020	\$0	\$0	\$0
2021	(256,374)	(26,347)	(282,721)
2022	0	0	0
2023	0	0	0
TOTAL REFUND			<u>\$(282,721)</u>

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.

[REDACTED]

[REDACTED]

