BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	DOCKET NO. 1-125-323-776
))	20012211.001120020
Petiti	oners.	DECISION
)	

Taxpayer Accounting sent (Petitioners) a Notice of Refund (Determination (Notice) for tax year 2023. Petitioners protested, disagreeing with the removal of their Affected Business Entity (ABE) payments. The Tax Commission has reviewed the matter and hereby upholds the Notice.

BACKGROUND

Taxpayer Accounting reviewed Petitioners' 2023 Idaho income tax return and could not verify \$24,576 in ABE payments claimed. A letter was sent to Petitioners requesting a copy of their ID K-1 forms to verify the ABE. Petitioners did not respond, so Taxpayer Accounting sent a Notice removing the claimed ABE. Petitioners protested the Notice and provided copies of their ID K-1s. Taxpayer Accounting acknowledged their protest and transferred the case to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals reviewed Petitioners' ID K-1s and found no record of a \$24,576 ABE payment for 2023. It appeared the \$24,576 payment was for tax year 2022 rather than 2023. Petitioners disagreed and requested additional time to reach out to the company providing the K-1 to verify the amounts claimed on the return. Appeals granted the extension, but did not receive any additional information in the prescribed timeframe. The Tax Commission must make its decision on the information available.

ANALYSIS

Petitioners received a variety of ID K-1s for tax years 2022 and 2023. For 2022, Petitioners received an ID K-1 from " which showed distributed income of \$409,588 and ABE credit of \$24,576. For 2023, Petitioners did not receive any ID K-1s passing through ABE credits. Without any additional information, the Tax Commission cannot verify the \$24,576 ABE credit on Petitioners' 2023 return. Petitioners originally requested a refund on their 2023 return. Due to the adjustment made by Taxpayer Accounting, Petitioners now have a tax due plus interest and penalty.

THEREFORE, the Notice of Refund Determination dated January 16, 2025, directed to is hereby 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> 2023 \$1,291 \$65 \$96 \$1,452

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

Interest is calculated through October 21, 2025.

An explanation of Petitioners' 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 a copy of the within and foregoing DEC mail, postage prepaid, in an envelope add	SION was served by sendi	ng the same by United State
	Receipt No.	