

DISCUSSION

The Notice disallowed other items on Petitioners' returns, but they were not protested. This decision will only discuss the items protested.

LAW AND ANALYSIS

Petitioners claimed business deductions on three vehicles during the years in question. A 2021 Volkswagen Atlas, a 2022 Volkswagen Atlas, and a 2022 Volkswagen Tiguan. Internal Revenue Code section 280F(d)(5)(A) defines "listed property passenger vehicles" as:

...any 4-wheeled vehicle—

- (iii) which is manufactured primarily for use on public streets, roads, and highways, and
 - (ii) which is rated at 6,000 pounds unloaded gross vehicle weight or less.
- (emphasis added)**

All three vehicles are considered listed property as they are under 6,000 pounds. Treasury Regulation section 1.274-5T(b)(6) describes the documentation needed to claim deductions related to listed property:

(i) Amount

(A) Expenditures. The amount of each separate expenditure with respect to an item of listed property, such as the cost of acquisition, the cost of capital improvements, lease payments, the cost of maintenance and repairs, or other expenditures, and

(B) Uses. The amount of each business/investment use based on the appropriate measure and the total use of the listed property for the taxable period.

(ii) Time. Date of the expenditure or use with respect to listed property, and

(iii) Business or investment purpose.

(emphasis added)

Petitioners provided mileage logs for the vehicles in question, but they lacked substantiating information. The logs do not specify the location or business/investment purpose of the trip. Without this information, the mileage cannot be verified or if the trip was for business or personal purposes.

CONCLUSION

The Bureau sent Petitioners a Notice removing deductions related to their business vehicles. Petitioners provided documentation, but it did not satisfy the requirements set out by the IRC.

THEREFORE, the Notice of Deficiency Determination directed to [REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] is hereby AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioners' pay the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020	\$124	\$0	\$19	\$143
2021	2,279	0	306	2,585
2022	1,449	0	142	<u>1,591</u>
			TOTAL:	\$4,319

The Tax Commission DEMANDS immediate payment of this amount. Interest is calculated in accordance with Idaho Code section 63-3045.

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

DATED this _____ day of _____ 2026.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2026,
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.
