

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 1-522-304-000
	)	
Petitioner.	)	DECISION
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The Tax Discovery Bureau (Bureau) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination (Notice) to (Petitioner) for failure to file partnership tax returns for tax years 2015, 2016, and 2017. Petitioner filed an appeal requesting additional time to file the past due tax returns.

During the audit process, Petitioner submitted tax returns and payments for tax years 2015 and 2016. The Bureau reviewed and accepted these returns subject to additional review. Therefore, the Tax Commission will not discuss tax years 2015 and 2016 in this decision. The Tax Commission has reviewed the file and hereby issues its decision. See related dockets 1-303-479-296 and 0-229-737-472.

Based on the facts submitted, Petitioner did not file partnership income tax returns for the referenced tax years. The Bureau requested Petitioner file tax returns but did not receive the requested information. Therefore, the Bureau determined tax attributes (income, deductions, and credits) based on the information available and issued a Notice. Since Petitioner is a pass-through entity, the tax attributes of the entity flowed through to the pass-through owners of the entity. Petitioner appealed requesting additional time to file actual returns. The Bureau and the Tax Appeals Unit granted Petitioner additional time to file the missing returns but never received the tax returns.

Idaho Code section 63-3030(9) provides every partnership transacting business in Idaho is required to file an informational return and shall include the names and addresses of the persons who would be entitled to share in the net income of the partnership if distributed and the amount of the distributive share of each person. Idaho Code section 63-3046B allows the Tax Commission to impose a penalty for failure to file a partnership tax return.

If a taxpayer fails to file a return when required, the Tax Commission can prepare a return and issue a Notice based on the information available. Idaho Code section 63-3042. The Tax Commission's determination of a deficiency is presumed correct, and the taxpayer bears the burden of proving it incorrect. *Parker v. Idaho State Tax Comm'n*, 148 Idaho 842, 845, 230 P.3d 734, 737 (2010).

The Tax Commission finds Petitioner, having not filed its tax return for the referenced tax year, having not introduced any documentary evidence, and minimal testimonial evidence, has failed to prove the Notice is incorrect. As a result, the Tax Commission will uphold the Notice concerning tax year 2017.

THEREFORE, the Notice of Deficiency Determination dated January 4, 2022, is hereby MODIFIED, in accordance with the provisions of this decision, and is AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioner pay the penalty:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>TOTAL</u>
2017	\$0	\$100	\$100
		Total due	<u>\$100</u>

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

An explanation of Petitioner's 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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