

2020 Idaho income tax return. Petitioner stated he was unaware of any changes the Tax Commission might have made to his carryover payment.

Taxpayer Accounting reviewed the pass-through withholding information Petitioner provided and was able to verify the withholding amount claimed. Taxpayer Accounting modified the Notice of Refund Determination allowing the pass-through withholding but made no change to the carryover estimated tax payment. Taxpayer Accounting sent Petitioner a modified Notice of Refund Determination and asked if he wanted to continue his protest. Petitioner did not respond, so Taxpayer Accounting acknowledged Petitioner's protest and referred the matter to the Tax Commission's Appeals Unit (Appeals).

Appeals sent Petitioner a letter explaining the correction to the carryover estimated tax payment and asked how he wanted to proceed with his protest. Petitioner did not respond. Seeing that Petitioner had an opportunity to present his position, the Tax Commission decided the matter based upon the information available.

ANALYSIS AND FINDINGS

When Petitioner filed his 2019 Idaho individual income tax return there was an error in that he reported taxable income but no tax on that income. The Tax Commission corrected that error and sent notice to Petitioner of the change. The correction to Petitioner's 2019 return reduced the amount of the carryover estimated tax payment to Petitioner's 2020 Idaho income tax return.

Petitioner filed his 2020 Idaho individual income tax return but did not account for the correction the Tax Commission made to his carryover estimated payment from 2019. Petitioner reported an overpayment of tax in 2019 of \$4,372. However, after the Tax Commission corrected Petitioner's 2019 return, Petitioner's overpayment was reduced to \$1,863. Petitioner owed no tax for 2020, so his estimated tax payment carryover continued to be \$1,863. Even though Petitioner

owed no additional tax for 2020, he did request that his refund be applied as an estimated tax payment for tax year 2021. Since the Tax Commission reduced his estimated tax payment carryover, the Tax Commission sent Petitioner a letter notifying him of the reduction.

When Petitioner filed his 2021 Idaho individual income tax return, he reported/ claimed the same estimated tax payment carryover from 2019 (\$4,372). Petitioner did not account for the change made to his 2019 return. Therefore, when Petitioner's 2021 return went through processing it was identified as a return with an error because the estimated tax payment did not match the Tax Commission's records.

Petitioner made no additional estimated tax payments for either tax year 2020 or 2021. Because Petitioner did not adjust the estimated tax payment from the prior tax years when notified by the Tax Commission, his 2021 estimated tax payment is overstated. Therefore, the adjustment to Petitioner's estimated tax payment must be upheld.

CONCLUSION

Petitioner filed his 2021 Idaho income tax return claiming a pass-through entity withholding credit and a carryover estimated tax payment from tax year 2020. Petitioner provided information that enabled the Tax Commission to verify the withholding credit but failed to show any additional estimated tax payments other than the carryover payment from 2020. Because the 2020 overpayment was reduced in the previous tax year, Petitioner had a smaller estimated tax payment to be applied to tax year 2021. Accordingly, the Tax Commission must uphold the adjustment to Petitioner's 2021 estimated tax payment.

THEREFORE, the Tax Commission AFFIRMS as MODIFIED the Notice of Refund Determination dated March 13, 2023, directed to

Since the Tax Commission REDUCED Petitioner's refund, an ORDER for payment is not necessary.

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.
