

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of

██████ ██████████

Petitioner.

DOCKET NO. 1-578-034-176

DECISION

██████ ██████████ (Petitioner) protested the Notice of Deficiency Determination (Notice) dated March 14, 2024, issued by the Tax Discovery Bureau (Bureau) for the period of November 1, 2021, through May 31, 2022. The Idaho State Tax Commission (Tax Commission), having reviewed the matter, hereby upholds the Notice issued by the Bureau.

BACKGROUND

Petitioner is a resident of Washington and employed by ██████████ ██████████ ██████████ ██████████ a company specializing in heavy operating equipment for wood working. The Bureau received information from US Customs¹, identifying Petitioner as the importer of wood working machinery, continuous-action elevators, and conveyor materials (imports) from Canada. The Bureau sent Petitioner a letter requesting additional information regarding the imports. Petitioner did not respond so the Bureau issued the Notice based on the information available.

On May 15, 2024, Petitioner filed a timely protest and petition for redetermination of the Notice. In his protest letter, Petitioner stated he is employed as a salesman for ██████████ ██████████ ██████████ ██████████ a Washington company that distributes industrial woodworking machinery and they would be responsible for any potential tax due on items he may have sold. Petitioner further

¹ U.S. Customs is the United States' first unified border entity. They take a comprehensive approach to border management and control, combining customs, immigration, border security, and agricultural protection into one coordinated and supportive activity.

explained that “all of [REDACTED] [REDACTED] customers are industrial users and qualify for non-payment of Idaho state sales tax.”

The Bureau acknowledged Petitioner’s protest and requested he provide one of the following to resolve the matter; proof that tax was paid or that the items are exempt from Idaho use tax, or if someone else received the imports, invoices or a letter from that person/business taking responsibility for the tax due. Petitioner did not respond. Therefore, the Bureau forwarded the case to the Tax Commission’s Appeals Unit (Appeals) for administrative review.

Appeals sent Petitioner a letter informing him of the options available for redetermining the Notice and received no response. The Tax Commission, having reviewed the matter, hereby issues its decision based on the information available.

LAW AND ANALYSIS

Idaho Code section 63-3621 imposes a use tax on all tangible personal property brought into Idaho unless an exemption applies. Idaho Code section 63-3621(1)(2) states:

- (1) An excise tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property acquired on or after October 1, 2006, for storage, use, or other consumption in this state at the rate of six percent (6%) of the value of the property, and a recent sales price shall be presumptive evidence of the value of the property unless the property is wireless telecommunications equipment, in which case a recent sales price shall be conclusive evidence of the value of the property.
- (2) Every person storing, using, or otherwise consuming, in this state, tangible personal property is liable for the tax. His liability is not extinguished until the tax has been paid to this state except that a receipt from a retailer maintaining a place of business in this state or engaged in business in this state given to the purchaser is sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

In this case, the U.S. Customs report identifies Petitioner, by name and social security number, as the importer of items shipped to Idaho, making him responsible for the Idaho taxes. Petitioner argues that he did not purchase the items in question and if he did, it would have been

on behalf of his employer, and they would be responsible for the taxes. However, Petitioner has provided no documentation to support his position.

On appeal, a deficiency determination issued by the Tax Commission “is presumed to be correct, and the burden is on the taxpayer to show that the Tax Commission’s decision is erroneous.” *Parker v. Idaho State Tax Comm’n*. 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson’s Inc. v. State Dep’t of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The Tax Commission requires Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioner did not provide adequate evidence. He has not met his burden.

THEREFORE, the Notice is hereby APPROVED in accordance with the provisions of this decision and is AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, penalty, and interest:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$2,343	\$123	\$257	\$2,723

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 _____ 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.
