

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-653-834-752
)	
Petitioner.)	
)	DECISION
<hr style="width: 45%; margin-left: 0;"/>)	

The Central Processing Bureau (Bureau) at the Idaho State Tax Commission (Tax Commission) issued a Notice of Refund Determination (Notice) to (Petitioner). The Bureau reduced Petitioner’s refund from \$24,834 to \$13,176. Petitioner filed a timely appeal and petition for redetermination of the Notice. The primary issue in this case is whether Petitioner may claim a credit of tax paid by affected business entity (ABE) of \$32,622 or \$45,798. The Tax Commission has reviewed the file and hereby issues its decision to cancel the Notice.

Idaho Code section 63-3026B explains the requirements for reporting, paying, and claiming the ABE. Petitioner is the sole shareholder of (Entity). Petitioner claimed tax paid by ABE of \$45,798. The Bureau could only verify tax paid by ABE of \$32,622. Therefore, the Bureau requested Petitioner provide documentation supporting the amount claimed. Petitioner submitted a Form ID K-1 showing tax paid by ABE of \$32,622. Therefore, the Bureau determined a credit of tax paid by ABE of \$32,622 and issued a Notice.

Petitioner appealed contending tax paid by ABE of \$45,798. Petitioner provided the S Corporation tax return for Entity, which indicated tax paid by ABE of \$45,798. Additionally, Petitioner provided proof of payments of \$45,798.

The Tax Commission finds Petitioner may claim a credit of tax paid by ABE of \$45,798. Based on the information available, Entity paid tax of \$45,798 on behalf of Petitioner. However,

Entity made an error on the Form ID K-1 it submitted to Petitioner and the Tax Commission. Thus, causing confusion.

THEREFORE, the Notice of Deficiency Determination dated July 7, 2022, is hereby CANCELED, AFFIRMED and MADE FINAL.

Petitioner is due an additional refund of \$13,176. No refund interest is due because the delay was caused by Petitioner's errors.

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.
