

The Bureau acknowledged the protest and processed Petitioner's 2014-2017 filed returns. The Bureau allowed Petitioner additional time to file returns for 2018 through 2020. However, Petitioner was not able to complete his returns for 2018 through 2020 due to the missing pass-through income information. The Bureau referred the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals sent Petitioner and his representative a letter explaining the options available for redetermining a Notice. Neither responded. Therefore, the Tax Commission decides the matter based upon the information available.

Tax Years 2014-2017

Petitioner is a shareholder of several pass-through entities, including

and

. The Bureau estimated the pass-through income for

in the Notice. In the protest, the representative provided the sales agreement showing that Petitioner sold this entity to an unrelated third-party on March 11, 2013; Petitioner had no income pass-through from this entity for 2014 and forward. Therefore, the Tax Commission modifies the Notice to remove the pass-through income from

The Tax Commission found that Petitioner's 2014-2017 filed returns incorporated all the other entities' pass-through income as adjusted in the Notice.

Tax Years 2018-2020

and are partnerships and did not timely file Idaho partnership returns for tax years 2018 through 2020. These partnerships filed their returns after Petitioner protested the Notice. The Tax Commission found these late-filed returns reflect the partnerships' income more accurately than the Bureau's estimates in the Notice;

therefore, the Tax Commission modifies the Notice based on the income reported in these partnership returns.

is a Subchapter S Corporation (S-Corp), and the Bureau issued a Notice for 2018 through 2020. The Tax Commission modified the S-Corp Notice in Docket Number 0-275-432-448.

LAW AND ANALYSIS

All tax attributes from the partnerships and the S-Corp flow-through to Petitioner at the percentage of his distributive share to be taxed at the individual level. As a result, any changes to the partnership returns and the S-Corp return require a change in the shareholder's return.

CONCLUSION

Petitioner is a shareholder of several partnerships and an S-Corp. As such Petitioner must report the pass-through income on his individual income tax return. For the years under review, all entities have now filed with the exception of for tax year 2020. The Tax Commission modifies the Notice to reflect the income passed through from the above-mentioned partnerships. For the S-Corp, the Tax Commission modifies the Notice based on Docket Number 0-275-432-448.

The Bureau added interest and penalty to Petitioners' Idaho tax due. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046. Interest is computed to April 10, 2024.

THEREFORE, the Notice dated October 27, 2022, directed to is AFFIRMED as MODIFIED by this decision.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$(115)	\$0	\$0	\$(115)
2015	2,013	503	614	3,130
2016	(373)	0	0	(373)
2017	528	132	124	784
2018	1,596	399	307	2,302
2019	313	78	43	434
2020	12,734	3,184	1,389	17,307
			TOTAL DUE	<u>\$23,469</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 _____ 2024.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2024,
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.

COPY SENT TO: