

## BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of ) DOCKET NO. 2-057-409-536  
[REDACTED] )  
[REDACTED] )  
[REDACTED] )  
Petitioner. ) DECISION  
[REDACTED] )  
\_\_\_\_\_  
[REDACTED] )

On May 20, 2025, [REDACTED] (Petitioner) protested the Notice of Refund Determination (Notice) issued on April 18, 2025 by the Revenue Operations Division of the Idaho State Tax Commission (Tax Commission). The Tax Commission reviewed the matter and hereby issues its final decision to uphold the Notice.

### **Background**

As stated in the Notice, Petitioner originally claimed a \$1,467 refund of business income tax. The claimed refund was based on Petitioner's statement that it had made estimated tax payments in the amount of \$1,552, reduced by the total tax amount of \$85. However, upon review, the Tax Commission's Revenue Operations Division (Division) found only \$552 of estimated tax payments had been made. After applying the corrected amount of estimated tax payments, the Division issued the Notice to Petitioner, finding the corrected refund amount was \$467.<sup>1</sup> The Notice included notification of the sixty-three day deadline to file a protest for redetermination by the Tax Commission, the right to request a hearing, and the right to appeal any Tax Commission decision to the Board of Tax Appeals or Idaho District Court.

Petitioner filed a written protest on May 20, 2025, contending that in addition to the \$552 considered by the Tax Commission, a payment of \$1,000 was made on June 15, 2023. In support,

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<sup>1</sup> \$552 - \$85 = \$467

Petitioner submitted an Idaho Taxpayer Access Point (TAP) confirmation indicating that a payment request had been submitted to the Tax Commission on June 13, 2023, in the amount of \$1,000.

According to the Tax Commission's account notes, the June 15, 2023, payment was rejected by the financial institution for reason code R29, which was defined to mean that a corporate customer advised it was not authorized. Additionally, the TAP receipt provided by Petitioner stated that it was "only the payment request. It is your responsibility to review your bank statement to confirm that this transaction was successful."

A tax appeals specialist mailed Petitioner a letter confirming receipt of the protest on June 12, 2025. The letter informed Petitioner that the additional payment of \$1,000 was unsuccessful. The financial institution had reversed the attempted payment. The letter notified Petitioner of the options to schedule a hearing or provide additional evidence and stated that if no response was received by July 14, 2025, a decision could be issued based on the existing information. No additional response was received from Petitioner.

## **Law & Analysis**

### ***Procedure***

When the state tax commission discovers a tax deficiency, a notice of said deficiency is sent pursuant to Idaho Code section 63-3045(1)(a). The taxpayer has sixty-three days to file a written protest requesting a redetermination. *Id.* If a perfected protest is filed in a timely manner, "the taxpayer has the right to an independent administrative redetermination of the originating division's determination before the state tax commission, including a hearing." Idaho Code § 63-3045(2)(a). To be perfected, a protest must contain allegations of fact or contentions of law, which if viewed in the light most favorable to the taxpayer, raise factual or legal issues that, if correct,

would entitle the taxpayer to relief. IDAPA 35.02.01.320.01. It must also list the taxpayer's name, address and pertinent identification number, the period to which the deficiency relates, the specific item or items in the Notice of Deficiency to which the taxpayer objects, and the factual or legal basis for the objections made. *Id.* Following a perfected protest, the taxpayer may submit additional evidence or documentation during the redetermination process subject to the provisions of section 63-3045B(3)(a), Idaho Code section 63-3045(5).

A taxpayer has the right to be represented by, or be accompanied by, any person of his choice in any proceeding before the tax commission. Idaho Code § 63-3045(4). However, “[a] taxpayer's written notification that he will be represented by another person must include the information required for a valid power of attorney. If the notification is not valid, the revenue officer shall communicate with the taxpayer. The revenue officer should exercise reasonable care in determining whether a power of attorney exists.” IDAPA 35.02.01.800.03.

If the taxpayer does not request a hearing, “The Tax Commission may issue a decision after forty-two (42) days from the date the notification of right to request a hearing is mailed to the taxpayer.” IDAPA 35.02.01.325.06.a.

Here, Petitioner filed a written protest containing the necessary information with the Idaho State Tax Commission within sixty-three days from the date of the notice of refund determination, using the services of a representative. However, the information necessary to create power of attorney was not provided, and communications have consequently proceeded with the taxpayer. The protest did not request a hearing, and forty-two days have passed. Therefore, a decision may be issued without a hearing.

### ***Overpayment & Refund***

“[W]here there has been an overpayment of the tax imposed . . . the amount of such overpayment shall be credited against any tax administered by the state tax commission which tax is then due from the taxpayer, and any balance of such excess shall be refunded to the taxpayer.” Idaho Code § 63-3072(a). “Any amount paid as a tax or in respect of a tax, other than amounts withheld at the source or paid as estimated income tax, shall be deemed to be assessed upon the date of receipt of payment, notwithstanding any other provisions of this chapter.” Idaho Code § 63-3045A(1)(c).

Here, it is undisputed that Petitioner claimed a corporate income tax refund in the amount of \$1,467, and that an amount of \$467 was allowed by the Tax Commission. Petitioner contends that an additional refund of \$1,000 is due based on the TAP payment request for \$1,000 that was submitted on June 15, 2023.

The evidence does not show that this payment was completed. According to account notes, the June 15, 2023, payment was rejected by the financial institution for reason code R29, which was defined to mean that a corporate customer advised it was not authorized.

Additionally, the TAP confirmation provided by Petitioner does not establish an actual payment or transfer of money. It states “This is only the payment request. It is your responsibility to review your bank statement to confirm that this transaction was successful. . . Please allow 4-11 business days for this payment to clear your bank or financial institution.”

Therefore, the Tax Commission finds that the \$1,000 payment claimed by Petitioner was not successful and cannot be the basis for any additional refund.

## **Conclusion**

The additional refund of \$1,000 claimed by Petitioner is not supported by the evidence, and the Notice correctly determined that the total refund owed to Petitioner was \$467. THEREFORE, the Notice dated April 18, 2025, and directed to [REDACTED] is hereby UPHELD and MADE FINAL.

No DEMAND for payment is required as this decision reduces Petitioner's refund.

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.

[REDACTED]  
[REDACTED]  
[REDACTED]

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