

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18108
[Redacted])	AMENDED DECISION
)	
Petitioner.)	
_____)	

The Tax Commission issued a decision in this matter on June 22, 2005. [Redacted] (Petitioner) submitted information after the Tax Commission issued its decision. The Tax Commission considered the information the Petitioner submitted and now issues this Amended Decision. For the reasons discussed below, the deficiency set forth in the Commission’s initial decision is reduced.

In its initial decision, the Tax Commission found the Petitioner failed to make a water’s-edge election and failed to provide the relevant federal tax information requested by the Audit Division. As a result, the Commission concluded the income of the Petitioner’s controlled foreign subsidiaries should be included in the Petitioner’s apportionable income.

The Petitioner now has submitted the federal Forms 5471 that the Audit Division requested. Based on a review of these documents, the Petitioner’s apportionable income is reduced to \$697,500,108. This reduced calculation includes a 100 percent allowance of the foreign dividends deduction claimed by the Petitioner.

The Petitioner also submitted post-decision information regarding the Petitioner’s net operating losses in subsequent years. Based on this information, the Petitioner’s net operating loss deduction for taxable year ending June 30, 2000, is \$100,000.

As a result of the adjustments discussed above, the Petitioner’s corrected taxable income for the taxable year is \$190,160.

WHEREFORE, the deficiency set forth in the Decision issued June 22, 2005, is hereby MODIFIED and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL AMOUNT DUE</u>
June 30, 2000	\$14,813	\$1,481	\$4,990	<u>\$21,284</u>

Interest is calculated through December 31, 2005. Interest accrues during the 2005 taxable year at a rate of \$2.44 per day.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision. As set forth in the enclosed explanation, you must deposit with the Tax Commission 20 percent of the total amount due in order to appeal this decision. The 20 percent deposit in this case is \$4,257 and will be held as security for the payment of taxes until the appeal is finally resolved.

DATED this _____ day of _____, 2005.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2005, a copy of the within and foregoing AMENDED DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.
