

**Letter of Findings Number: 04-0155  
Sales Tax for 2001 and 2002**

**NOTICE:** Under Ind. Code § 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE****I. Sales Tax—Underreported taxable sales**

**Authority:** [IC 6-8.1-5-1\(b\)](#).

Taxpayer protests the imposition of sales tax liability.

**STATEMENT OF FACTS**

In November 2003, Taxpayer was selected for a tax audit for the years 2001 and 2002 because of variances between the amounts shown on line 1c of federal income tax Form 1065 and the total amount of sales from Indiana sales tax Form ST-103. Taxpayer was a partnership filing an IT-65 return. The business was closed at the end of August 2003 and had two Indiana resident partners. Taxpayer operated a repair shop working on both tractor and semi trailers. Upon the review of Taxpayer's books and records, the Department noted that Taxpayer underreported the amount of taxable sales for 2001. The Department presented Taxpayer a workpaper on November 7, 2003, showing the difference and Taxpayer was given until December 5, 2003, to reconcile or explain the difference. Taxpayer did not respond with an explanation. The Field Auditor assessed the difference as underreported taxable sales. Taxpayer was assessed the liability; Taxpayer filed a protest. A hearing was scheduled for April 25, 2006. Taxpayer did not appear and this letter of findings is written based on the information in the file.

**I. Sales Tax—Underreported taxable sales****DISCUSSION**

All tax assessments are presumed to be accurate; the taxpayer bears the burden of proving that an assessment is incorrect. [IC 6-8.1-5-1\(b\)](#). The Department issued an audit report on January 14, 2004. On March 23, 2004, Taxpayer requested a 60 day extension to respond to the audit. On June 6, 2005, the auditor contacted Taxpayer to resolve the issues and requested that Taxpayer provide any additional documentation to supplement the information upon which the audit was based. Taxpayer submitted no additional documentation by the June 30, 2005, deadline. The file was forwarded to Protest Review and ultimately to a hearing officer in the legal division. The legal division contacted Taxpayer and set a hearing to hear Taxpayer's protest to the assessment. After two years of waiting for Taxpayer, the Department now closes this file. The assessment stands as issued; Taxpayer has not provided any documentation to rebut the audit assessment.

**FINDING**

For the reasons stated above, Taxpayer's protest is denied.

*Posted: 08/02/2006 by Legislative Services Agency*

An [html](#) version of this document.