

Letter of Findings Number: 06-0009P
Withholding Tax
For the Calendar Year 2004

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ISSUE

I. Tax Administration – Penalty

Authority: IC § 6-8.1-10-2.1(d); [45 IAC 15-11-2](#)

The taxpayer protests the late penalty.

STATEMENT OF FACTS

The late penalty was assessed on the late filing of an annual withholding tax return for the calendar year 2004. The taxpayer is an Indiana company.

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DISCUSSION

The taxpayer requests the penalty be abated as the W-2s were mailed timely.

The Department received the W-2s fifteen days late. State tax regulations state the burden of proof is on the taxpayer as to why the W-2s were received late by the Department. As the taxpayer has given no explanation, the taxpayer is deemed to be inattentive in the mailing of the W-2s.

The regulation which controls the application of penalty is [45 IAC 15-11-2\(b\)](#) which states, Negligence, on behalf of a taxpayer is defined as the failure to use such reasonable care, caution, or diligence as would be expected of an ordinary reasonable taxpayer. Negligence would result from a taxpayer's carelessness, thoughtlessness, disregard or inattention to duties placed upon the taxpayer by the Indiana Code or department regulations. Ignorance of the listed tax laws, rules and/or regulations is treated as negligence. Further, failure to read and follow instructions provided by the department is treated as negligence. Negligence shall be determined on a case by case basis according to the facts and circumstances of each taxpayer.

The Department finds the taxpayer was inattentive of tax duties. Inattention is negligence and negligence is subject to penalty. As such, the Department finds the penalty proper and denies the penalty protest.

FINDING

The taxpayer's penalty protest is denied.

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