BEFORE THE STATE BOARD OF TAX APPEALS
STATE OF ARIZONA
100 North 15th Avenue - Suite 140
Phoenix, Arizona 85007
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CLAUDIO D. CORRAL, Appellant, vs. ARIZONA DEPARTMENT OF REVENUE, Appellee.	)	Docket No. 1871-02-S NOTICE OF DECISION: FINDINGS OF FACT AND CONCLUSIONS OF LAW

The State Board of Tax Appeals, having considered all evidence and arguments presented, and having taken the matter under advisement, finds and concludes as follows:

FINDINGS OF FACT

The Arizona Department of Revenue (the "Department") assessed transaction privilege tax under the job printing classification against Claudio D. Corral ("Appellant") for the period August 1988 through June 1992 ("Audit Period"). Appellant protested the assessment and filed amended returns seeking a refund for the Audit Period. The Department upheld the assessment and denied Appellant's refund claim. Appellant appealed to this Board, which upheld the Department's decision.[1] Appellant did not appeal the Board's decision.

Subsequently, Appellant filed amended transaction privilege tax returns and sought a refund for July, August, October, November and December 1992 (the "Refund Period"). The amended returns significantly reduced Appellant's gross income but did not identify any deductions. Therefore, the Department denied the refund claim. After unsuccessfully protesting the Department's decision to the Office of Administrative Hearings, Appellant now appeals to this Board.

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[1] *Corral dba Adobe Printing, Postal Instant Press v. Arizona Dep't of Rev.*, No. 1839-00-S (BTA, March 6, 2001).

DISCUSSION

The issue before the Board is whether Appellant is entitled to the refund claimed. The presumption is that an assessment of additional . . . tax is correct. *See Arizona State Tax Commission v. Kieckhefer*, 67 Ariz. 102, 191 P.2d 729 (1948).

Appellant is engaged in the business of job printing. The job printing classification is comprised of the business of job printing, engraving, embossing and copying. A.R.S. § 42-5066. The tax base for the classification is the entire gross income derived from the business unless the taxpayer establishes otherwise. A.R.S. § 42-5023.

Appellant argues that a portion of his income during the Refund Period is exempt from tax because it is attributable to sales for resale. *See* A.R.S. § 42-5066(B). To substantiate a deduction from its tax base for sales for resale, Appellant must obtain an exemption certificate from the purchaser or present facts establishing entitlement to the deduction. A.R.S. § 42-5009.

Appellant submits a letter from a purported customer as evidence of entitlement. However, the letter does not indicate that the customer holds a transaction privilege tax license or that it resells the job printing or distributes it in connection with the publication of a newspaper or magazine as required by statute. A.R.S. § 42-5066. Invoices submitted by Appellant also fail to substantiate his claim. Appellant has not established that he is entitled to a deduction; therefore, the Department properly denied the refund claimed. A.R.S. § 42-5066; A.R.S. § 42-5009.

CONCLUSIONS OF LAW

Appellant has not established that he is entitled to a deduction; therefore, the Department properly denied the refund claimed. A.R.S. § 42-5066; A.R.S. § 42-5009.

ORDER

THEREFORE, IT IS HEREBY ORDERED that the appeal is denied, and the final order of the Department is affirmed.

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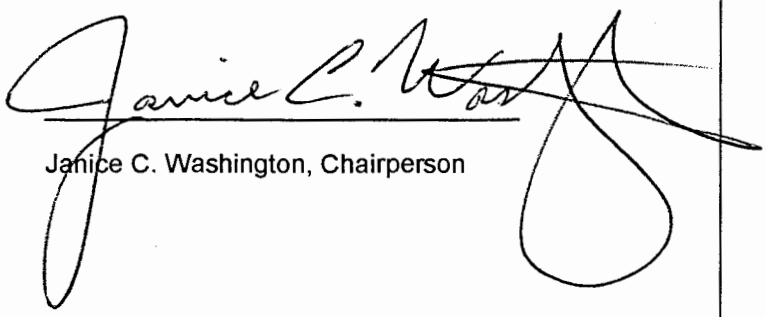
. . .

This decision becomes final upon the expiration of thirty (30) days from receipt by the taxpayer, unless either the State or taxpayer brings an action in superior court as provided in A.R.S. § 42-1254.

DATED this 8th day of October, 2002.

STATE BOARD OF TAX APPEALS



Janice C. Washington, Chairperson

JCW:ALW

CERTIFIED

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