

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 14151
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On August 11, 1999, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1996 and 1997 in the total amount of \$5,724.

The taxpayers filed a timely appeal. They did not request a conference but did submit additional information in the form of a completed 1996 Idaho income tax return. The Tax Commission, having reviewed the file, hereby issues its decision based thereon.

The Bureau obtained information showing the taxpayers, Idaho residents during both 1996 and 1997, did not file Idaho income tax returns even though the records showed they received income in excess of the filing requirement. The Bureau prepared provisional income tax returns on the taxpayers' behalf and sent the taxpayers a Notice of Deficiency Determination.

On April 17, 2000, the Bureau received the taxpayers' 1996 Idaho income tax return. The Bureau reviewed the return [Redacted] and Tax Commission records. Because the return appeared to be in order, it was accepted as filed subject to examination during the period allowable under Idaho Code § 63-3068(a). The Bureau sent the taxpayers a letter withdrawing the portion of the deficiency determination addressing 1996. Only the taxpayers' 1997 Idaho income tax return remains at issue and will be addressed in this decision.

When the 1997 Idaho return was not received as promised, the taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to a letter

from the Tax Appeals Specialist advising them of their rights regarding their protest to the deficiency determination.

Information summonsed by the Bureau and the Tax Commission's own records show the taxpayers operated a restaurant for several years including the year in question. The Bureau computed the taxpayers' 1997 Idaho individual income tax based on the taxpayers' income information that was reported [Redacted] as follows: nonemployee compensation in the amount of \$36,000, dividends from [Redacted] in the amount of \$11,662, and dividends from [Redacted] in the amount of \$252. The taxpayers have provided nothing to dispute the findings. [Redacted]

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayers to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

Absent information to the contrary, the Tax Commission finds the provisional return prepared by the Bureau is an accurate reflection of the taxpayers' income and resulting Idaho income tax due for 1997. However, a \$100 payment that was made when the taxpayers filed their extension of the time to file their 1997 Idaho return was not recognized in the deficiency notice. That credit is reflected in this decision.

WHEREFORE, the Notice of Deficiency Determination dated August 11, 1999, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest for 1997:

DECISION 2  
[Redacted]

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$2,323	\$581	\$550	\$3,454

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

An explanation of the taxpayers' right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2001.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2001, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

\_\_\_\_\_  
ADMINISTRATIVE ASSISTANT 1