

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 14590
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On January 10, 2000, 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 tax years 1995, 1996, and 1997 in the total amount of \$43,383.

The taxpayers protested the determination. The taxpayers did not request a hearing, but did provide an actual return for one of the three years in question. The Tax Commission, having reviewed the file, hereby issues its decision based thereon.

Idaho Code § 63-3030 states:

**63-3030. Persons required to make returns of income.** (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

- (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code).
- (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

Information available to the Tax Commission indicated the taxpayers were Idaho residents who met the filing requirements for Idaho resident income tax returns. Because the Tax Commission's files did not include the taxpayers' tax returns for any of the years in question, the Bureau prepared Idaho individual income tax returns on the taxpayers' behalf and issued a notice of a deficiency, which the taxpayers appealed.

On March 10, 2000, the Bureau received an Idaho individual income tax return for 1995 together with a promise to file the returns for the other two years, "in the next 45 to 60 days." After verifying the accuracy of the return, the Bureau notified the taxpayers the return was accepted as filed and the portion of the deficiency determination addressing 1995 was canceled. The 1995 tax year including the taxpayers' return will not be a part of this decision.

Subsequent to the filing of their 1995 Idaho return, the taxpayers did not respond to any letter the Bureau sent to them. Their file was transferred to the Legal/Tax Policy Division for administrative review. Neither of the taxpayers answered a letter outlining their appeal rights. In fact, nothing has been received from them since the protest letter.

The taxpayers' Idaho income tax responsibility was calculated based on the Tax Commission's own income records and the records of both the Idaho Department of Labor [Redacted]. [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).

In their protest letter, the taxpayers said they did not dispute the gross income amounts but deductions were missing. The taxpayers have failed to file Idaho returns for 1996 and 1997 and have failed to identify any deductions they are entitled to claim. Absent information to the contrary, the Tax Commission upholds the Bureau's determination of the taxpayers' 1996 and 1997 Idaho taxable income and resulting tax responsibility.

WHEREFORE, the Notice of Deficiency Determination dated January 10, 2000, 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:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$9,976	\$2,494	\$3,365	\$15,835
1997	9,811	2,453	2,455	<u>14,719</u>
			TOTAL	<u>\$30,554</u>

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

An explanation of 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