

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 14594
[Redacted],)	
)	DECISION
Petitioners.)	
)	

On December 10, 1999, the Tax Discovery Bureau of the Idaho State Tax Commission (Bureau) 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 \$3,882.

The taxpayers filed a timely appeal. They did not request a hearing and did not submit additional information. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

During the years in question, the taxpayers failed to file Idaho individual income tax returns even though Tax Commission records show they satisfied the requirements stated in Idaho Code § 63-3030 for filing Idaho tax returns. [Redacted]. [Redacted]. [Redacted].

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayers did not file state tax returns and did not answer correspondence from

the Bureau, the Bureau prepared provisional returns and issued a deficiency notice based upon information gleaned from Tax Commission records. The records included information contained in [Redacted] the records relating to the taxpayers' business enterprise known as [Redacted].

In response to the deficiency notice, the taxpayers sent a letter stating their belief that the determination was in error. They said they had been told that they would not be required to file a return if they were expecting a refund. The taxpayers said they had hired a tax preparer to complete their returns but did not have the funds to pay for the finished returns at the time they were ready. Since that time, they have been unable to locate the tax preparer or their returns. They asked for a meeting to resolve the matter.

On, February 11, 2000, [Redacted] met with the representative from the Bureau. At that time, he indicated he would be filing the missing Idaho returns. He said he prepares his returns on Turbo Tax and then takes them to a preparer to double check the accuracy. He said he just doesn't always have the money to pay for the service. He asked for, and was granted, additional time to have the returns prepared.

After that initial meeting, [Redacted] contacted the Tax Commission at least once a month for the next four months. Each time, he asked for a continuance and each time the Bureau granted a stay. His reasons for needing more time included: time to locate the tax preparer who had disappeared with the taxpayers' completed returns, time to complete the returns on Turbo Tax and have them checked by a tax preparer, and time for requested information to be received from the IRS.

When the Bureau did not receive the promised returns, the taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review. Neither of the taxpayers responded to a letter from the Tax Appeals Specialist that advised them of their appeal rights.

Idaho Code § 63-3030 explains the income tax act:

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);

The taxpayers met the requirements for filing Idaho income tax returns during 1996 and 1997. Yet, they have not filed a return for either year. Nothing has been submitted that would cast doubt on the Bureau's determination, which was calculated after considering information shown in the taxpayers' own business records [Redacted].

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertsons, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated December 10, 1999, is hereby 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	\$1,229	\$302	\$390	\$1,921
1997	1,489	372	343	<u>2,204</u>
			TOTAL	<u>\$4,125</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 BY MAIL

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