

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of Protest of)
) DOCKET NO. 14732
[Redacted],)
) DECISION
)
Petitioner(s).)
_____)

On February 28, 2000, the staff of the Tax Discovery Bureau (Bureau) issued a Notice of Deficiency Determination to [Redacted] (taxpayer) for the 1993 through 1998 taxable years, proposing tax, penalty and interest in the total amount of \$14,560.

On April 26, 2000, the taxpayer made a timely protest and request for redetermination. The taxpayer did not request a hearing and did not submit additional information for consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The Bureau [Redacted] indicating that the taxpayer may have an Idaho filing requirement for the 1993 through 1998 taxable years. The Bureau researched the Tax Commission's records and found the taxpayer had not filed an Idaho income tax return for those taxable years.

The Bureau contacted the taxpayer to determine whether the taxpayer had a filing requirement, with the State of Idaho. The taxpayer did not respond to the Bureau's inquiry; therefore, the Bureau [Redacted] determined that the taxpayer had an Idaho filing requirement. Pursuant to [Redacted], the Bureau [Redacted] determine the taxpayer's Idaho taxable income for the 1993 and 1994 taxable years. For the remaining years in question, the Bureau, pursuant to authority under Idaho Code § 63-3042, subpoenaed a loan application the taxpayer completed and submitted to a car dealership on December 15, 1999. The Bureau used the taxpayer's statement of income on the loan application to estimate the taxpayer's Idaho taxable income for the 1995 through 1998 taxable years. The Bureau prepared returns for the taxpayer and sent the taxpayer a Notice of Deficiency Determination (NODD).

The taxpayer sent the Bureau a letter, which was considered a protest of the NODD. The Tax Commission (Commission) sent the taxpayer a hearing rights letter explaining the process of appeal and request for redetermination. The taxpayer did not request a hearing and did not submit additional information for consideration.

Without additional information from the taxpayer, the Commission upholds the use of the [REDACTED] information to determine that the taxpayer had an Idaho filing requirement. The Commission also upholds the use of the [REDACTED] information to calculate the taxpayer's Idaho taxable income for 1993 and 1994, and the use of the completed loan application to calculate the taxpayer's taxable income for 1998. However, the Commission found that [REDACTED] information was available for the 1995 through 1997 taxable years. The [REDACTED] information is more reliable and likely to be a more accurate representation of the taxpayer's taxable income for those years than an estimation of income based on a loan application. Accordingly, the taxpayer's taxable income for 1995 through 1997 should be calculated using the [REDACTED] income information.

The NODD included additions for penalty and interest in accordance with the provisions of Idaho Code §§ 63-3046(c) and 63-3045. The Commission upholds those additions and finds them appropriate as applied to the modified tax liability.

WHEREFORE, the Notice of Deficiency Determination dated February 28, 2000, is hereby MODIFIED in accordance with the provisions of this decision and, as so modified, is APPROVED, AFFIRMED, AND MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1993	\$ 388	\$ 97	\$ 215	\$ 700

1994	\$1,029	\$ 257	\$ 497	\$1,783
1995	\$1,034	\$ 259	\$ 403	\$1,696
1996	\$ 255	\$ 64	\$ 78	\$ 397
1997	\$ 492	\$ 123	\$ 108	\$ 723
1998	\$2,125	\$ 531	\$ 304	<u>\$2,960</u>
			TOTAL DUE:	<u>\$8,259</u>

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

An explanation of the taxpayer's right to appeal this decision is included with this decision.

DATED this ____ day of February, 2001.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

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

[REDACTED]
[REDACTED]BLISS, ID 83314

Receipt No.: [Redacted]