

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 14770
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On March 20, 2000, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalties, and interest for the taxable years 1994 through 1997 in the total amount of \$12,923.

On May 22, 2000, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not request a hearing but did submit additional information. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision.

[Redacted]. The Bureau concluded the taxpayers had income in excess of the filing requirement of Idaho Code § 63-3030 and issued a Notice of Deficiency Determination.

The taxpayers appealed the Bureau's determination stating it was their belief that they did not have a tax liability. An individual income tax return for the taxable year 1997 was submitted to the Bureau, which showed the taxpayers were entitled to a refund. The Tax Commission found the return provided by the taxpayers for 1997 to be a more accurate reflection of the taxpayers' liability. Therefore, the Tax Commission accepted the taxpayers' return, subject to the normal review process of the Tax Commission, in lieu of the return prepared by the Bureau.

The Bureau located withholdings for the taxable year 1996 for which the Tax Commission credited the taxpayers. This resulted in a refund. However, pursuant to Idaho Code § 63-3035(e), an application for a refund must be filed within three years of the due date, without

regard to extensions. The taxpayers' 1996 return was due on April 15, 1997. Therefore, the statute of limitations expired on April 15, 2000, and the refund is prohibited.

WHEREFORE, the Notice of Deficiency dated March 20, 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 taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>REFUND</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1994	\$ 0	\$1,734	\$434	\$868	\$3,036
1995	\$ 0	\$1,684	\$421	\$696	\$2,801
1996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1997	\$339	\$ 0	\$ 0	\$ 0	<u>\$ (339)</u>
				TOTAL DUE	<u>\$5,498</u>

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

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

DATED this ____ day of _____, 2001.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 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] Receipt No. [Redacted]
[REDACTED]

ADMINISTRATIVE ASSISTANT 1