

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 14816
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On May 16, 2000, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for the taxable year 1996, in the amount of \$291.

The taxpayer filed a timely protest. A hearing was neither requested nor held. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Idaho Code § 63-3030 provided in pertinent part:

**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 Bureau indicated the taxpayer was a resident of Idaho during 1996. [Redacted]. Pursuant to the authority of Internal Revenue Code § 6103(d) and Idaho Code § 63-3077, the Tax Commission was advised that the taxpayer had been forgiven a debt during 1996. Because federal and state income tax codes describe forgiveness of debt as income, the bureau

contacted the taxpayer. The taxpayer said he could not have had income during 1996 because he was incarcerated during that year.

Idaho Code § 63-3045 (1)(a) states:

**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.

The Bureau issued a deficiency notice, which the taxpayer protested. The taxpayer said he had a federal form showing forgiveness of a debt by [Redacted] but the amount and year were different from the figures shown in the notice.

The taxpayer's file was transferred to the Legal/Tax Policy Division, and the taxpayer was notified of his appeal rights.

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 taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The Bureau prepared the deficiency notice and tax return [Redacted]. The Tax Commission confirmed the accuracy [Redacted] by examining copies of two 1099-C forms in the taxpayer's name that were issued for the tax year 1996 by [Redacted]. The taxpayer has presented nothing to dispute the finding.

The taxpayer has not filed an Idaho income tax return for the year at issue and has not paid Idaho income tax on the debt that was forgiven by [Redacted]. Absent evidence to the contrary, the Tax Commission upholds the Bureau's determination.

WHEREFORE, the Notice of Deficiency Determination dated May 16, 2000, is APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest for 1996:

<u><b>TAX</b></u>	<u><b>PENALTY</b></u>	<u><b>INTEREST</b></u>	<u><b>TOTAL</b></u>
\$193	\$48	\$65	\$306

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 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]  
[Redacted] [REDACTED]

Receipt No. [Redacted]

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