

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 14840
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On April 11, 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 taxable years 1995 through 1997 in the total amount of \$5,497.

The taxpayers filed a timely protest. 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]. The taxpayers had not filed their federal returns for any of the years in question.

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 income tax returns, the Bureau prepared provisional returns and issued a deficiency notice. The income amounts were taken from records retained by the Idaho Department of Labor, Tax Commission, [Redacted].

Over the course of several months after the notice of deficiency was issued, [Redacted] talked with the Bureau at least eleven times on the telephone. Each time he indicated the missing returns were in the process of being completed and asked for additional time. In addition, [Redacted] wrote at least three letters wherein he advised he was in the process of collecting information and an accountant was preparing returns. In one letter and telephone call, he indicated he had “fired” an accountant and had hired a new one. When the returns were not received as promised, the taxpayers’ file was transferred to the Legal/Tax Policy Division of the Tax Commission.

The Tax Appeals Specialist sent the taxpayers a letter advising them their file had been received in the Legal Division. The Specialist asked the taxpayers to submit additional information (namely the missing returns). In response, [Redacted] wrote a letter dated March 7, 2001, to the Tax Commission wherein he asked “to have until April 30th to have all additional documents ready for you.”

On April 27, 2001, [Redacted] telephoned to say he had difficulty getting some records from a family business in Missouri. He asked for a further delay of 60 days to allow him the opportunity to collect the information from his brother. On July 2, 2001, [Redacted] telephoned with another request to hold his appeal because his brother would not be out to Idaho with the records until the 18th. On

July 30, 2001, the Tax Commission received a faxed letter advising that his brother had brought the necessary paperwork, which [Redacted] had signed and sent back to the business. However, he had,

“recently got these papers back and have turned them over to the accountant.” On October 1, 2001, during a telephone conversation with the Specialist, [Redacted] confessed that the meeting with his brother had never taken place and he did not know when the returns could be submitted to the Tax Commission.

The taxpayers do not deny they met the Idaho filing requirements. Yet, they have not filed Idaho income tax returns for any of the years 1995 through 1997. In fact, the taxpayers have submitted nothing to the Tax Commission for any of the years at issue.

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). 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. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated April 11, 2001, 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>
1995	\$ 458	\$115	\$205	\$ 778
1996	1,564	391	570	2,525
1997	1,710	428	474	<u>2,612</u>
			TOTAL	<u>\$5,915</u>

Interest is computed through November 15, 2001.

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

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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]

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ADMINISTRATIVE ASSISTANT 1