

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 14920
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On April 4, 2000, the Tax Discovery Bureau of the Idaho State Tax Commission (Bureau) issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for 1996 through 1998 in the total amount of \$82,286.

The taxpayer filed a timely protest. However, he did not request a hearing and did not submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The taxpayer, a resident of Idaho during all three years, appeared to meet the requirements for filing Idaho individual income tax returns. Because he did not file Idaho tax returns and did not answer correspondence, the Bureau issued a deficiency determination.

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.

When the taxpayer received the notice, he wrote a letter of protest to the Bureau. The letter,

written jointly with [Redacted], said:

This letter is to formally protest the tax assement [sic] listed as due for [Redacted] SSN [Redacted], & [Redacted] SSN [Redacted], dba [Redacted].

We are working with a CPA and have a target date for form 1120 S returns to be finished within 60 days.

The Tax Commission received that letter on June 6, 2000. When the Tax Commission did not receive the promised returns, the taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to any of the letters sent to him after his appeal.

The deficiency notice and tax returns prepared by the Bureau were computed using [Redacted] sales totals that were reported in the company's sales tax returns and income shown in W-2s issued to the taxpayer. The taxpayer had not filed federal income tax returns. In addition, the taxpayer's business, [Redacted], had not filed Idaho corporate income tax returns 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 Commission, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertsons, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer has submitted nothing to dispute the figures shown in the deficiency determination. Neither the taxpayer nor his business, [Redacted] has filed income tax returns for the years 1996, 1997, and 1998.

WHEREFORE, the Notice of Deficiency Determination dated April 4, 2000, is APPROVED, AFFIRMED, AND MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following taxes,

penalties, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$14,816	\$3,704	\$4,600	\$23,120
1997	18,238	4,560	4,074	26,872
1998	25,622	6,406	3,748	<u>35,776</u>
			TOTAL	<u>\$85,768</u>

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

An explanation of 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 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