

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 14972
[Redacted],	)	
	)	DECISION
Petitioners.	)	
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	)	

On June 26, 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 1994, 1995, and 1996 in the total amount of \$22,140.

The taxpayers filed a timely appeal. 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]. [Redacted].

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 tax returns even after being contacted by the Bureau,

the Bureau prepared provisional returns and issued a deficiency notice based upon information gleaned from Tax Commission records. The records included information [Redacted] relating to [Redacted] ([Redacted]) contract labor through his business enterprise known as [Redacted] and real estate sales during 1995 and 1996.

In response to the deficiency notice, [Redacted] sent a letter expressing the belief that the determination was in error. He asked for additional time to secure an accountant and have the missing returns prepared. The Bureau allowed the additional time; however, before the agreed date, [Redacted] wrote another letter asking for more time and then a third letter describing the chain of events that prevented him from completing the required returns.

When the Bureau did not receive the promised returns, the taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review. Neither of the taxpayers responded to a letter from the Tax Appeals Specialist that advised them of their appeal rights.

The taxpayers met the requirements for filing Idaho income tax returns for the years at issue yet they have not filed any of the returns. Nothing has been submitted that would cast doubt on the Bureau's determination that was calculated after considering [Redacted] contract labor and the other income reported [Redacted] as having been received by the taxpayers during the years 1994, 1995, and 1996.

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. Albertsons, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated June 26, 2000, 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>
1994	\$ 582	\$ 146	\$ 274	\$ 1,002
1995	6,716	1,679	3,025	11,420
1996	6,857	1,714	2,520	<u>11,091</u>
			TOTAL	<u>\$23,513</u>

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

\_\_\_\_\_  
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]

Receipt No. [Redacted]

[Redacted] [REDACTED]

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ADMINISTRATIVE ASSISTANT 1