

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15165
[Redacted])	
Petitioners)	DECISION
)	
)	
)	
)	

On July 18, 2000, the Tax Discovery Bureau of the Idaho State Tax Commission (Bureau) issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for tax years 1996 and 1998 in the total amount of \$12,897.

[Redacted], CPA filed a timely protest on behalf of [Redacted]. He explained that Mr. [Redacted] had become ill and had died in March 2000. 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 taxpayers, residents of Idaho during both years, appeared to meet the requirements for filing Idaho individual income tax returns. Because they 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.

Because Mr. [Redacted] did not furnish an executed Power of Attorney form with his letter protesting the determination of taxes due, the Bureau telephoned him and asked him to secure a power of attorney from Mrs. [Redacted]. During that conversation, Mr. [Redacted] offered that he hoped to have all of the missing Idaho returns submitted no later than the end of September 2000. Subsequent to the telephone conversation, the Bureau sent at least three additional letters to Mrs. [Redacted] without receiving a response. Therefore, the Bureau transferred the taxpayers' file to the Legal/Tax Policy Division for administrative review.

When neither Mr. [Redacted] nor [Redacted] answered a letter from the Tax Appeals Specialist wherein Mrs. [Redacted] was advised of her rights regarding her appeal, the Specialist telephoned Mr. [Redacted]. At that time, Mr. [Redacted] advised that his efforts to secure a power of attorney from Mrs. [Redacted] had been unsuccessful because he was unable to get her to respond. He explained that he did not have all of the information he needs to complete the returns.

Pursuant to Internal Revenue Code § 6103(d) and Idaho Code § 63-3077, the Bureau, obtained the taxpayers' income information from the Internal Revenue Service. The deficiency notice and tax returns prepared by the Bureau were computed using the figures shown in the federal records and wage information that had been submitted to the Idaho Department of Labor by employers of both taxpayers. Credit was allowed for the payment that was submitted with a 1996 extension and a payment that was made toward the 1998 taxes. Efforts to contact Mrs. [Redacted] directly have been unsuccessful and no other information has been made available.

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 taxpayers to show that the tax deficiency is erroneous. Albertsons, Inc. v.

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

WHEREFORE, the Notice of Deficiency Determination dated July 18, 2000, 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>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$4,221	\$1,055	\$1,339	\$ 6,615
1998	4,749	1,187	727	<u>6,663</u>
			TOTAL	<u>\$13,278</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][REDACTED]

ADMINISTRATIVE ASSISTANT 1