

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15315
[REDACTED])	
)	DECISION
Petitioner.)	
_____)	

On January 10, 2000, the staff of the Tax Discovery 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 years 1997 and 1998 in the total amount of \$18,457.

On March 12, 2000, the taxpayer filed a timely appeal and petition for redetermination. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information that showed the taxpayer had wages reported to the Idaho Department of Labor for 1997 and 1998. The Bureau researched the Tax Commission's records and found the taxpayer did not file Idaho income tax returns for those years. The Bureau sent the taxpayer a letter asking about her filing requirement with the state of Idaho but received no response. The Bureau determined the taxpayer did have a filing requirement and prepared returns for the taxpayer based upon the wage information from the Idaho Department of Labor.

The Bureau sent the taxpayer a Notice of Deficiency Determination, which she protested. The taxpayer stated that in order to make a correct filing she needed to find her records, which were stored at her parents' house in Idaho. The taxpayer asked for 60 days to provide the Bureau with the information.

The Bureau allowed the taxpayer the additional time, but at the end of that time, the taxpayer failed to provide the Bureau with any additional information. However, during that time the Bureau found additional withholding information that was not available when the Notice of Deficiency Determination was determined.

The Tax Commission sent the taxpayer a letter setting forth her options for having the Notice of Deficiency Determination redetermined. The taxpayer responded saying she did not know where to start. She stated she had gone through her records and could not find anything regarding her tax documentation. The taxpayer asked the Tax Commission to send her a breakdown of the tax the Bureau calculated.

The Tax Commission responded to the taxpayer's request. However, rather than giving the taxpayer the tax calculation of the Notice of Deficiency Determination, the Tax Commission sent her a modified deficiency determination. The Tax Commission modified the determination based upon the taxpayer's letters and the additional withholding information the Bureau found.

In the taxpayer's letters to the Tax Commission, the taxpayer stated she was a single parent of two teenage boys. From this information, the Tax Commission determined the taxpayer's filing status should be changed from single to head of household. The Tax Commission also determined the taxpayer should be allowed two dependent exemptions for her sons.

The original Notice of Deficiency Determination did not include withholdings from the taxpayer's wages. Therefore, the Tax Commission modified the determination to include the taxpayer's withholdings for each year. The 1998 W-2 statement also showed a discrepancy in the wages reportable and the wages used by the Bureau. The Bureau used a wage figure that

apparently included deferred compensation. Therefore, the Tax Commission reduced the taxpayer's income to agree with the reportable wages found on the taxpayer's W-2 statement.

The Bureau added interest and penalty to the taxpayer's Idaho tax liability. The Tax Commission reviewed those additions and found they were correctly added in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated January 10, 2000, is hereby MODIFIED, in accordance with the provisions of this decision and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$1,513	\$ 378	\$ 474	\$ 2,365
1998	5,285	1,321	1,247	<u>7,853</u>
			TOTAL DUE	<u>\$10,218</u>

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 included with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2002, 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]
[Redacted] [REDACTED]

Receipt No. [Redacted]

ADMINISTRATIVE ASSISTANT 1