

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15368
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On November 20, 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 1993, 1994, and 1996 through 1998 in the total amount of \$27,171.

On January 22, 2001, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has not provided any additional information. The Tax Commission, having reviewed the file, hereby issues its decision.

[Redacted]. The Bureau reviewed the Tax Commission's records and found the taxpayer had not filed Idaho income tax returns for the taxable years 1993 through 1998. The Bureau researched the taxpayer further and found that the taxpayer had several of the indicators that would suggest he was an Idaho resident. The Bureau sent the taxpayer a letter asking about his filing requirement with the state of Idaho but received no response.

The Bureau determined the taxpayer was required to file Idaho income tax returns and prepared returns for the taxpayer based upon the information it had gathered. The Bureau sent the taxpayer a Notice of Deficiency Determination, which the taxpayer protested. The taxpayer stated he was working outside the United States and had just received the Bureau's letters. He stated that for the past 12 years he was working in Saudi Arabia as an Expiate. The taxpayer

asked the Bureau for time to complete his work in Germany and said he would have something for the Bureau by mid-February 2001.

February 2001 passed and the taxpayer failed to contact or provide the Bureau with any additional information. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter setting forth his options for having the Notice of Deficiency Determination redetermined. The taxpayer did not respond. The Tax Commission sent the taxpayer a follow-up letter and still received no response. Therefore, the Tax Commission decided the matter based upon the information available.

In 1992, the taxpayer acquired an Idaho driver's license and renewed it in 1996. In 1994, 1995, 1996, and 1997, the taxpayer purchased a resident fish and game license. On each of the fish and game licenses, the taxpayer stated he had been a resident of Idaho all of his life. In November 1996, the taxpayer registered to vote in [Redacted], Idaho. All these acquisitions state that the taxpayer considered himself to be an Idaho resident.

Idaho Code section 63-3002 states it is the intent of the Idaho legislature to tax residents of the state of Idaho. The tax is to be based on the income of the residents from whatever source derived. The measurement of income is determined as provided for in the Internal Revenue Code, subject to specific modifications contained in the Idaho Code.

The taxpayer stated in his protest letter that he had been working in Saudi Arabia for the past 12 years. The Tax Commission asked the taxpayer to provide some sort of documentation showing that he qualified for the safe harbor provisions of Idaho Code section 63-3013. The safe harbor provisions of the Idaho Code state that a resident of the state of Idaho will not be considered a resident, for income tax purposes, if the individual can show that he was outside the state for 15 consecutive months and after the 15 consecutive months did not spend more than 60

days in Idaho during any succeeding calendar year. The taxpayer did not provide any proof to show he met this provision of the Idaho Code.

Therefore, the Tax Commission finds that since the taxpayer was an Idaho resident, he was required to report his income to Idaho from whatever source derived. (Idaho Code section 63-3002.) The Tax Commission also finds that the taxpayer had sufficient income during the years in question to file Idaho income tax returns. (Idaho Code section 63-3030.) The taxpayer has not provided anything to show the returns the Bureau prepared were incorrect and has not met his burden of proof. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Therefore, the Tax Commission finds the returns the Bureau prepared are an accurate representation of the taxpayer's Idaho taxable income.

WHEREFORE, the Notice of Deficiency Determination dated November 20, 2000, is hereby 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>
1993	\$1,897	\$ 474	\$1,225	\$ 3,596
1994	4,479	1,120	2,554	8,153
1996	6,204	1,551	2,483	10,238
1997	901	225	282	1,408
1998	3,773	943	890	<u>5,606</u>
			TOTAL DUE	<u>\$29,001</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]

Receipt No. [Redacted]

[Redacted]

[Redacted]

ADMINISTRATIVE ASSISTANT 1