

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 15457
[Redacted],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On January 5, 2001, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (taxpayers), proposing income tax, penalty and interest for the years 1994 and 1995 in the total amount of \$8,363.

On March 2, 2001, a timely protest and petition for redetermination was received by the Commission. An informal hearing has not been requested by the taxpayers. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The taxpayers are currently residents of the state of [Redacted]. They filed married filing jointly in Idaho in 1991. No other returns have been received from the taxpayers. [Redacted] received a form 1099 in 1994 and 1995 from an Idaho source. Both taxpayers obtained Idaho drivers licenses in November of 1994.

On August 10, 2000 and September 11, 2000, the Tax Discovery Bureau sent a letter with a questionnaire to the taxpayers to help the Commission properly determine the taxpayers' filing requirement. The taxpayers did not respond to these letters.

Since the taxpayers did not respond to the nonfiler letters, a NOD was issued based on the taxpayers' income information [Redacted]

The taxpayers disagreed with TDB's not having included any expenses they incurred in their business. The taxpayers said this was their first experience with self-employment. They requested

some additional time to get their returns to the Commission. But, despite allowing repeated extensions of time, no returns have been received.

While on a trip to [Redacted], [Redacted] came into the Commission's office in [Redacted] on 07/26/2001 and requested help with filling out the tax forms. She didn't have a federal return and had several other items that were outside the scope of TDB's ability or time to complete the necessary returns. TDB directed her to the IRS building to see if the IRS would be able to help with her federal returns. She insisted that she could complete the forms herself and would deliver them back to the Commission within a few days.

TDB revised the NOD on August 21, 2001, based on additional information provided by the taxpayers.

The taxpayers' file was sent to the Commission's legal/tax policy division for further review.

The Commission's Tax Policy Specialist (specialist) spoke with [Redacted] by phone on several occasions. On April 2, 2002 the specialist sent the taxpayers a letter which stated:

When I spoke with you late last year you said that you wanted me to talk to your accountant. I told you that I needed a Power of Attorney (POA) from you that names your accountant as your attorney-in-fact so that I could discuss your case with your accountant. As of today, I have not received a POA from you for your accountant nor have I received your Idaho individual income tax returns for the years 1994 and 1995.

Please send the returns or POA to my attention by April 15, 2002. If I have not heard from you by that date, a decision will be issued in this matter based on the information currently in your file.

If you have any questions concerning this letter, please write or contact me at the phone number below.

The specialist received a "taxpayer contact sheet" from TDB, which had a phone number from a person who had called on April 23, 2002 regarding the taxpayers. The specialist called the number and left a message many times but the calls were never returned.

[Redacted] The taxpayers have not provided the Commission with a contrary result to the determination of their income [Redacted] Therefore, the Commission must uphold the deficiency.

WHEREFORE, the Notice of Deficiency Determination dated January 5, 2001, 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>
1996	\$2,707	\$677	\$1,672	\$5,056
1997	\$836	\$209	\$444	<u>1,489</u>
			TOTAL DUE	<u>\$6,545</u>

Interest is computed through January 21, 2003.

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

An explanation of the taxpayers' right to appeal this decision is enclosed 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] \_\_\_\_\_