

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15531
[Redacted],)	
)	DECISION
Petitioner.)	
<hr style="width: 45%; margin-left: 0;"/>		
)	

On February 7, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for taxable years 1997, 1998, and 1999 in the total amount of \$1,865.

A timely protest was filed. However, the taxpayer 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 taxpayer, a resident of Idaho during the entire period from 1997 through 1999, appeared to meet the requirements for filing Idaho individual income tax returns during the years at issue. Because he did not file Idaho tax returns and did not answer correspondence, the Bureau issued a deficiency determination.

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.

A protest to the determination of a deficiency in the taxpayer's Idaho income tax responsibility was submitted by a Certified Public Accountant. The accountant asked for additional time to prepare the returns because the taxpayer needed to contact former employers to obtain missing W-2s. In addition, the taxpayer had filed federal Form W-7 to obtain identification numbers for his dependents and had not yet received the numbers. The accountant said the taxpayer did not dispute the earned income for the years at issue but felt the additional exemptions would reduce his income below an amount that would result in tax due for any of the years.

The Bureau notified the taxpayer his file would be put in abeyance for an additional month. However, at the end of the stay, no new information was provided and the taxpayer did not respond to an additional letter. The taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. Neither the taxpayer nor his representative responded to a letter from the Tax Appeals Specialist wherein the taxpayer's rights were outlined. The representative did not return the executed Power of Attorney form that was provided to her.

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). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The deficiency notice and tax returns prepared by the Bureau were computed using the figures and other information contained in the Tax Commission's records that included federal transcripts of income reported to the IRS. Absent evidence to the contrary, the Tax Commission accepts those records as accurate reflections of the taxpayer's income. An error in the calculation of the taxpayer's 1999 Idaho income tax responsibility reduces the taxable income from \$665 to \$590.

WHEREFORE, the Notice of Deficiency Determination dated February 7, 2001, is MODIFIED 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	\$239	\$ 60	\$70	\$ 369
1998	445	111	96	652
1999	590	148	38	<u>776</u>
			TOTAL DUE	<u>\$1,797</u>

Interest is computed through January 31, 2002.

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 enclosed with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this ____ day of _____, 2002, 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]

ADMINISTRATIVE ASSISTANT 1