

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 15641
[REDACTED],)
) DECISION
)
Petitioners.)
_____)

On April 2, 2001, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for the taxable years 1996 through 1999 in the total amount of \$10,278.

On May 31, 2001, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not respond to the Tax Commission's hearing rights letter and have provided no additional documentation for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) obtained information from the Idaho Department of Labor that showed the taxpayers had wages reported to the Idaho Department of Labor. The Bureau reviewed the Tax Commission's records and found the taxpayers had not filed Idaho income tax returns. The Bureau sent the taxpayers a letter asking about their filing requirement with the state of Idaho but received no response from the taxpayers.

The Bureau determined from the Department of Labor information that the taxpayers were required to file Idaho income tax returns. [Redacted]. The Bureau sent the taxpayers a Notice of Deficiency Determination, which the taxpayers protested.

The taxpayers stated they disagreed with the Bureau's determination for tax year 1996. They said [Redacted] moved to Idaho from Alaska in September 1996. The taxpayers stated they

dispute the amount of tax owed for 1996 because it was based upon income earned while [Redacted] was a resident of Alaska. [Redacted] was only a part-year resident of Idaho in 1996. The taxpayers stated that [Redacted] did not move to Idaho until January 1997. The taxpayers stated they had no information or documentation to dispute the Bureau's determination for 1997 and that the Bureau's determination for 1998 matched their records so they do not dispute 1998. However, for 1999 the taxpayers stated the Bureau's information was incorrect. They also stated that their federal return was not filed because they had three years to file it.

The Tax Commission sent the taxpayers a letter giving them two options for having the Notice of Deficiency Determination redetermined. The taxpayers did not respond. Therefore, the Tax Commission decided the matter based upon the information available.

[Redacted]. The Tax Commission found that the taxpayers' statements regarding tax year 1996 could be backed up by the federal information. [Redacted]. This information shows the taxpayers very possibly were residents of Alaska for part of 1996. Other evidence gathered by the Bureau also confirmed this; namely, [Redacted] purchased a resident Idaho fish and game license in October 1998 stating that he had been an Idaho resident for two years. Therefore, the Tax Commission agreed with the taxpayers' statements that [Redacted] was a part-year resident of Idaho in 1996 and that [Redacted] did not become a resident of Idaho until January 1997.

The 1996 return the Bureau prepared for the taxpayers showed the taxpayers as full-year residents of Idaho. The Tax Commission hereby modifies that return to show the taxpayers' proper status as a part-year resident and a nonresident. The Bureau's return also showed two additional dependent exemptions for the taxpayers' children. Since the taxpayers did not provide any information on the residence of their children, the Tax Commission made the assumption the children remained with [Redacted] and were nonresidents of Idaho until January 1997.

The taxpayers provided no additional information for tax years 1997, 1998, or 1999. However, the taxpayers did state they do not dispute the tax deficiency for 1998 and had nothing to dispute 1997. Therefore, the Tax Commission upholds the Bureau's determination for 1997 and 1998.

The taxpayers stated they had three years to file their 1999 federal income tax return. The Tax Commission believes the taxpayers have been misled. Federal income tax returns have a due date for calendar year taxpayers of the 15th day of April following the close of the calendar year. (Internal Revenue Code section 6072.) Nevertheless, regardless of what the federal requirements are, the Idaho Code states the due date for filing Idaho income tax returns for a calendar year taxpayer is on or before the 15th day of April following the close of the calendar year. (Idaho Code section 63-3032.) Generally, individual taxpayers are calendar year taxpayers. Therefore, the taxpayers' 1999 Idaho income tax return had a filing date of April 15, 2000.

The taxpayers have failed to provide any information to show the 1999 return prepared by the Bureau was incorrect. Consequently, the taxpayers have failed to meet their 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 1999 return prepared by the Bureau a reasonable representation of the taxpayers' Idaho taxable income.

The Bureau added interest and penalty to the taxpayers' Idaho tax in accordance with Idaho Code sections 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them to be appropriate.

WHEREFORE, the Notice of Deficiency Determination dated April 2, 2001, 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 taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$ 61	\$ 15	\$ 25	\$ 101
1997	244	61	77	382
1998	971	243	232	1,446
1999	4,580	1,145	761	<u>6,486</u>
			TOTAL DUE	<u>\$8,415</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 _____, 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