

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15809
[Redacted],)	
)	DECISION
Petitioners.)	
)	
)	
)	

On June 13, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1998 and 1999 in the total amount of \$5,332.

The taxpayers filed a timely protest. They did not request a hearing and did not submit additional information. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

During the years in question, the taxpayers failed to file Idaho individual income tax returns even though Tax Commission records show they satisfied the filing requirements stated in Idaho Code § 63-3030. [Redacted]. [Redacted].

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.

Because the taxpayers did not file state income tax returns, the Bureau prepared provisional returns and issued a deficiency notice. The tax was computed using records retained by the Idaho Department of Labor, the Tax Commission[Redacted].

The taxpayers responded to the notice by sending a letter signed by [Redacted]. The following is the entire body of the letter:

In regards to your letter of June 13th, 1999 I'm in the process of collecting my records for the years 1998 and 1999. I believe that our earnings in 1999 were well short of \$61,469.00; however, your estimate of \$27,274.00 in 1998 is very close to our W2 records. I would like to arrange a schedule immediately to begin a paying the \$1,129.00 for 1998.

Thank you for your kindly assistance in this matter.

The Bureau replied by letter acknowledging the protest and detailing the sources of the income used to compute the Idaho tax due. Each W-2 and 1099 was listed with the amount and source of income clearly stated. Besides wages, there was a 1099 for the cancellation of debt in 1998 and a 1099 for a retirement distribution in 1999. A form was sent with the letter giving the taxpayers the opportunity to make a choice to accept the Bureau's computations and withdraw their protest or to file actual returns. The taxpayers did neither.

When no response was received, the taxpayers' file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. Nothing further was received from the taxpayers although an additional letter outlining their appeal rights was mailed to them.

The taxpayers do not deny they met the Idaho filing requirements; yet, they have not filed Idaho income tax returns for either 1998 or 1999. In fact, the taxpayers have submitted no income information to the Tax Commission for either of the years at issue.

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).

Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated June 13, 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>
1998	\$ 788	\$197	\$177	\$1,162
1999	3,091	773	468	<u>4,332</u>
			TOTAL	<u>\$5,494</u>

Interest is computed through March 15, 2002.

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

An explanation of 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 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] Receipt No. [Redacted]
[Redacted]

ADMINISTRATIVE ASSISTANT 1