

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16339
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On January 9, 2002, 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 1996 through 1999 in the total amount of \$5,678. The taxpayer filed a timely appeal by submitting actual Idaho income tax returns for the years 1997 through 1999. He did not submit a 1996 return or request a hearing. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The taxpayer was an Idaho resident during all the years at issue. He filed [Redacted] for 1996 with a filing status of married filing separate with one exemption. He did not file an Idaho return that year and did not file state or federal returns for subsequent years.

[Redacted] The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

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.

The Bureau issued a deficiency notice and the taxpayer responded by sending Idaho returns for the years 1997 through 2000. Copies of the taxpayer's federal income tax returns were not provided. The Bureau reviewed those returns and found them to be inaccurate. The taxpayer prepared the returns using a filing status of married filing separately but took the standard deduction, personal exemptions, and grocery credit for a person filing as married filing joint. No spouse was identified in the returns and only the taxpayer's income was listed.

The Bureau sent the taxpayer a letter advising him that, because of the errors contained in the returns he submitted (the Bureau provided a detailed explanation of the errors), the returns could not be accepted as filed. The Bureau included Idaho returns for the years 1997 through 1999 that were prepared using the income and withholding shown in the returns submitted by the taxpayer but allowing the deduction, exemption, and grocery credit for one person rather than two. The taxpayer was given several choices to resolve the matter. He did not respond to that letter or additional letters and telephone calls. His file was transferred to the Legal/Tax Policy Division for administrative review.

The taxpayer does not deny he met the Idaho resident filing requirements for tax years 1996 through 1999. He did not file an Idaho income tax return for any of the years at issue until after the deficiency notice was issued and never did submit an Idaho return for 1996.

The Tax Commission finds the 1996 Idaho return prepared by the Bureau using a filing status and exemptions identical to the federal return he filed and allowing Idaho withholding to offset a portion of the tax due to be an accurate reflection of the taxpayer's Idaho income tax responsibility.

The returns the taxpayer furnished for 1997 through 1999 were not prepared correctly according to the information contained within the returns themselves. The Bureau correctly refigured each return using the information submitted by the taxpayer and offered him the opportunity to sign and return them for filing with the Tax Commission. The taxpayer chose not to respond.

WHEREFORE, the Notice of Deficiency Determination dated January 9, 2002, is hereby 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>
1996	\$1,023	\$256	\$431	\$1,710
1997	832	208	278	1,318
1998	857	214	220	1,291
1999	842	211	155	<u>1,208</u>
			TOTAL DUE	<u>\$5,527</u>

Interest is computed through September 1, 2002.

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

An explanation of 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