

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 16379
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On November 13, 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 1996 through 1999 in the total amount of \$5,163. The taxpayer filed a timely appeal, but she did not 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. She filed resident individual income tax returns for 1994 and 1995 but did not file federal or state income tax returns for any of the subsequent years.

[Redacted]. [Redacted]. When the taxpayer did not respond to correspondence, the Bureau issued a Notice of 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.

In response to the deficiency notice, the taxpayer sent a letter appealing the determination. The taxpayer wrote that she should have been given credit for daycare and other credits in the determination of Idaho income taxes and that she had filed bankruptcy for 1996 taxes. On February 28, 2002, the Bureau received the taxpayer's 1998 and 1999 Idaho income tax returns.

After examining those two returns, the Bureau sent the taxpayer a letter advising her of the Bureau's acceptance of the information shown in the returns with the exception of the total income figure shown for 1998. [Redacted]. In the letter, the Bureau also explained that the 1996 and 1997 calculations could not be adjusted without returns being filed by the taxpayer, and the bankruptcy did not discharge the taxpayer's income tax responsibility for either year. The Bureau offered the taxpayer a choice of sending additional information or withdrawing her protest. She did neither and her file was transferred to the Legal/Tax Policy Division for administrative review.

Idaho Code § 63-3030 explains the income tax act:

**63-3030. Persons required to make returns of income.** (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

- (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code.
- (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

The taxpayer met the Idaho resident filing requirements for tax years 1996 through 1999. She did not file returns for any of the years even though her Idaho employer did not change. Her income source was the same as in the two prior years when she did file Idaho returns. Absent actual returns, the Tax Commission has little choice but to compute the taxpayer's annual income and the

resulting Idaho income tax due by relying on the information shown in records retained by [Redacted] the Tax Commission.

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 her argument, the taxpayer has failed to meet her 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 November 13, 2001, is hereby MODIFIED 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	\$618	\$155	\$255	\$1,028
1997	988	247	321	1,556
1998	569	142	141	852
1999	302	76	53	<u>431</u>
			TOTAL DUE	<u>\$3,867</u>

Interest is computed through July 15, 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

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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]

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