

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 16431
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On December 10, 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 taxes, penalties, and interest for the taxable years 1998 and 1999 in the total amount of \$6,357.

On February 11, 2002, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not respond to the Tax Commission's hearing rights letter; however, they did send income tax returns to a compliance officer of the Tax Commission. The Tax Commission, having reviewed the file, hereby issues its decision.

The taxpayers were referred to the Tax Discovery Bureau (Bureau) by a compliance officer who was working with the taxpayers. The compliance officer found that the taxpayers had not filed their 1998 and 1999 Idaho individual income tax returns. The Bureau sent the taxpayers a letter asking about their requirement to file Idaho income tax returns but the taxpayers did not respond.

The Bureau obtained additional information from the [Redacted] and determined the taxpayers were required to file Idaho income tax returns. The Bureau prepared returns for the taxpayers and sent them a Notice of Deficiency Determination. The taxpayers responded to the Notice of Deficiency Determination with a letter stating they protest and would file completed returns within three weeks. The Bureau allowed the taxpayers more than the three weeks they

stated to submit their income tax returns but the taxpayers failed to provide any returns. Therefore, the Bureau sent the matter for administrative review.

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 to the Tax Commission's letter. However, a couple of months later, the taxpayers sent copies of their 1998 and 1999 Idaho income tax returns to the compliance officer they had worked with.

The Tax Commission reviewed the taxpayers' returns and found that they represented the taxpayers' taxable income better than the returns the Bureau prepared. Therefore, the Tax Commission accepted the taxpayers' returns, subject to the normal review processes of the Tax Commission, in lieu of the returns prepared by the Bureau.

The Bureau added interest and penalty to the taxpayers' returns it prepared. The Tax Commission reviewed those additions and found them to be applicable to the returns the taxpayers submitted. Therefore, the Tax Commission added interest and penalty to the taxpayers' returns in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated December 10, 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>
1998	\$ 650	\$ 163	\$ 176	\$ 989
1999	1,015	254	201	<u>1,470</u>
			TOTAL DUE	<u>\$2,459</u>

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]

\_\_\_\_\_  
ADMINISTRATIVE ASSISTANT 1