

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16563
[Redacted])	
Petitioner.)	DECISION
)	
)	

On March 1, 2002, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for taxable year 1999 in the amount of \$4,742.

The taxpayer filed a timely appeal. She did not request a hearing; however, she did submit additional information. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Because the taxpayer, an Idaho resident who appeared to meet the state filing requirements, had not filed a 1997 or 1999 Idaho individual income tax return, TDB sent her a questionnaire to fill out. The taxpayer wrote back that she was sure she had filed both returns and enclosed a copy of her complete 1997 return. After reviewing the return, it was accepted as an original and forwarded to the Tax Commission's processing department.

[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.

TDB sent the taxpayer a deficiency notice addressing her Idaho individual income tax for tax year 1999. In response to the deficiency notice, the taxpayer sent a letter appealing the determination. She said she was enclosing a copy of her 1999 federal return together with her W-2s and a computation sheet. She said the income she used to determine the tax was less than the amount used by TDB because the total income shown in her W-2s was \$737 less than the amount shown in the deficiency determination.

TDB sent the taxpayer a letter to acknowledge her protest and explain the source of the additional income according to a 1099 issued in her name. In addition, TDB enclosed a revised Notice of Deficiency Determination and offered the taxpayer the opportunity to accept the new computations and withdraw her protest. The taxpayer sent that notice back with a note saying she did not recognize the payee shown in the 1099. She declined to withdraw her appeal and her file was transferred to the Legal/Tax Policy Division for administrative review.

In response to a letter from the Tax Appeals Specialist that advised the taxpayer of her appeal rights, the taxpayer wrote asking for clarification of what additional documentation the Tax Commission required. The Tax Appeals Specialist wrote back to the taxpayer to further explain the appeals process and the source of the additional income shown as received by her. She was directed to contact the [REDACTED] if she felt the 1099 was incorrect. The taxpayer has not contacted the Tax Commission further.

[Redacted] issued a 1099 showing \$737 paid to the taxpayer in 1999. The taxpayer's occupation is shown as a nurse in the 1999 federal return the taxpayer furnished to TDB. With the

taxpayer making her living in the medical field, it is reasonable to assume a 1099 issued to her by a medical facility is accurate. No evidence has been submitted to dissuade the Tax Commission from accepting the 1099 issued by [Redacted]. The penalty and interest as allowed in Idaho Code §§ 63-3045 and 63-3046 was appropriately included in the amended determination.

The taxpayer met the Idaho resident individual income tax filing requirements for 1999. She is aware the Tax Commission's records do not show receipt of her 1999 return. Yet, she has not filed a 1999 Idaho income tax return and has submitted nothing that would cast doubt on the Bureau's amended determination.

WHEREFORE, the Notice of Deficiency Determination dated March 1, 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 for 1999.

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$829	\$207	\$164	\$1,200

Interest is computed through November 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

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]
