

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 16613
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On March 14, 2002, 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 1996 and 1997 in the total amount of \$4,248.

The taxpayers filed a timely appeal. 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 jointly filed an extension of the time to file their return for 1996 and satisfied the filing requirements stated in Idaho Code § 63-3030 for both years. They did not file an Idaho income tax return for either 1996 or 1997.

[Redacted] The transcript did not include information shown in the taxpayers' federal returns because they had not filed with the IRS for either year at issue.

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 tax returns and did not answer correspondence from the Bureau, the Bureau prepared provisional returns and issued a deficiency notice based upon information gleaned from Tax Commission records. In response to the deficiency notice, [Redacted] wrote a letter stating that she was, “[u]nable to locate the taxes and also there was withholdings taken out of my checks. I am in the process of getting my W-2’s.”

When the Bureau did not receive a response to additional letters to the taxpayers, their file was transferred to the Legal/Tax Policy Division for administrative review. [Redacted] responded to a letter from the Tax Appeals Specialist that was sent to each of the taxpayers to advise them of their appeal rights. On July 11, 2002, [Redacted] sent an e-mail that stated she was trying to get documents from her ex-husband and hoped to have them by “next week.” She said she would notify the Tax Commission when she received the documents. Nothing further has been received from either of the taxpayers.

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

**63-3030. Persons required to make returns of income.**

[EFFECTIVE AFTER JANUARY 1, 1996](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.

...

The taxpayers met the requirements for filing federal and state income tax returns for 1996 and 1997. Yet, they have not filed Idaho returns for either year. Nothing has been submitted that would cast doubt on the Bureau's determination, which was calculated after considering taxpayers' income information that was reported to the IRS and the records retained by the Tax Commission. Withholding that was identified in the Tax Commission's records was allowed to offset a portion of the tax due for 1996. However, no withholding was identified for 1997.

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 March 14, 2002, 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>
1996	\$1,065	\$266	\$448	\$1,779
1997	1,590	398	531	<u>2,519</u>
			TOTAL DUE	<u>\$4,298</u>

Interest is computed through September 1, 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]

[Redacted] [Redacted]  
ADMINISTRATIVE ASSISTANT 1