

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16666
[Redacted])	
Petitioners.)	DECISION
)	
)	

On November 13, 2001, 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 through 1999 in the total amount of \$20,083.

The taxpayers filed a timely protest. 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 satisfied the filing requirements stated in Idaho Code § 63-3030. [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.

Because the taxpayers did not file state income tax returns, the Bureau prepared provisional returns and issued a deficiency notice. The tax was computed using records retained by the Idaho Department of Labor, the Tax Commission, [Redacted]. Withholding that could be identified in the records retained by the Tax Commission was allowed to offset a portion of the tax due.

After receiving the notice, [Redacted] made the first of nine telephone calls to the Bureau regarding the missing returns. He followed the initial telephone call with a letter of protest stating: “At this point we don’t believe that the withholding amount is correct and with no tax records can’t prove. But will have tax forms for all years done by Feb 11th.”

The Bureau replied by letter acknowledging the protest and advising the taxpayers that no further action would be taken until after February 15, 2002. At the conclusion of the stay, [Redacted] telephoned the Bureau to ask for additional time: three times in February, twice in March, twice in April and once in June. Yet, no returns were ever submitted for filing. The taxpayers’ file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. An additional letter outlining the taxpayers’ appeal rights was mailed to them. The taxpayers did not make any further attempts to contact the Tax Commission.

The taxpayers do not deny they met the Idaho filing requirements. Yet, they have not filed Idaho income tax returns for any of the years in question.

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 November 13, 2001, 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	\$3,154	\$789	\$1,383	\$ 5,326
1997	3,682	921	1,293	5,896
1998	2,934	734	804	4,472
1999	3,570	893	718	<u>5,181</u>
			TOTAL	<u>\$20,875</u>

Interest is computed through December 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]_____