

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16729
[Redacted])	
Petitioner.)	DECISION
)	
)	

On February 25, 2002, 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 and 1997 in the total amount of \$5,223.

The taxpayer filed a timely protest. He 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 taxpayer failed to file Idaho individual income tax returns even though Tax Commission records show he appeared to satisfy 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 taxpayer did not file state income tax returns, the Bureau prepared provisional returns and issued a deficiency notice. The income amounts were determined by examining the records retained by the Idaho Department of Labor, the Tax Commission, and the IRS. Withholding was identified for 1997. It was allowed to offset the tax due. No record of Idaho withholding for 1996 could be found in the records retained by the Tax Commission.

The taxpayer responded with a letter of protest that he faxed to the Bureau. That letter said in its entirety: “This letter is my formal protest of the NODD sent to me by your office on Feb. 25, 2002. Further documentation will be forthcoming within 10 days of the date of this letter. Sincerely [Redacted]

The Bureau wrote back to the taxpayer acknowledging his protest and agreeing to a 10-day delay. However, at the end of the stay, no information had been received from the taxpayer. The Bureau sent an additional letter asking for a response. The taxpayer did not reply. His file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. The Tax Appeals Specialist sent the taxpayer a letter advising him of his appeal rights. He did not acknowledge receipt of that letter either.

The Bureau used the income amounts reported to the IRS and Idaho Department of Labor to determine the taxpayer’s Idaho income tax responsibility. Idaho withholding in the amount of \$1,857 was allowed to offset a portion of the 1997 tax. However, no withholding could be identified for 1996.

The taxpayer does not deny he met the Idaho filing requirements for 1996 and 1997. Yet, he has not filed a state return for either year or submitted any other information that would cast doubt on the Bureau’s determination.

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 his argument, the taxpayer has failed to meet his 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 February 25, 2002, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$2,234	\$559	\$979	\$3,772
1997	984	246	346	<u>1,576</u>
			TOTAL DUE	<u>\$5,348</u>

Interest is computed through December 1, 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]
