

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16115
[Redacted])	
Petitioner.)	DECISION
)	
)	

On September 4, 2001, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for the taxable years 1996, 1998 and 1999 in the total amount of \$12,663.

On November 6, 2001, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not request a hearing but stated she wanted to submit income tax returns for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The taxpayer filed extension of time for filing forms for the taxable years 1995 through 1998. The taxpayer also made estimated tax payments with her extension forms. The Tax Discovery Bureau (Bureau) followed up on the taxpayer's filings and found that the taxpayer failed to file the corresponding income tax returns. The Bureau sent the taxpayer a letter asking her to file her income tax returns for the years 1995 through 1999. The taxpayer did not respond.

The Bureau obtained additional information and determined the taxpayer had taxable income for each of the years. The Bureau prepared returns for the taxpayer but only sent the taxpayer a Notice of Deficiency Determination for the tax years 1996, 1998 and 1999.

The taxpayer protested the Bureau's determination. The taxpayer stated her records were with her accountant and she thought she would be entitled to a refund. The taxpayer said she should be able to send in correct returns within 10 days.

The Bureau allowed the taxpayer the additional time to provide income tax returns; however, the taxpayer did not provide the returns. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter giving her two options for having the Notice of Deficiency Determination redetermined. The taxpayer did not respond. The Tax Commission sent the taxpayer a follow-up letter to which the taxpayer's accountant responded asking for more time to complete the taxpayer's returns. The Tax Commission agreed to give the taxpayer more time.

The Tax Commission continued to correspond with the taxpayer to get updated information on the completion of the returns. Each time, the taxpayer reported little or no progress. The Tax Commission gave the taxpayer a final date to have the returns to the Tax Commission. That date passed, and the taxpayer still failed to provide any returns for consideration. Therefore, the Tax Commission decided the matter based upon the information available.

The taxpayer did not contest that she had a requirement to file Idaho income tax returns. She contested the amount of tax due. The Bureau determined the amount of tax due based upon a loan application the taxpayer made in 2000. On that application, the taxpayer stated she had been an attorney for the past 30 years and that her average monthly income was between \$4,000 and \$6,000. The Bureau determined the taxpayer's income was \$60,000 each year or \$5,000 per month.

The taxpayer has provided nothing to show that the Bureau's income determination was incorrect, nor has the taxpayer shown that the returns the Bureau prepared are in error. The taxpayer has not met her burden of proof. Albertson's, Inc. v. State, Dept. of Revenue, State Tax Com'n, 106 Idaho 810, 683 P.2d 846 (1984).

Since the returns the Bureau prepared used income information from statements of the taxpayer, the Tax Commission finds that the returns are reasonably representative of the taxpayer's taxable income. Therefore, the Tax Commission upholds the Bureau's determination.

The Bureau added interest and penalty to the taxpayer's tax deficiency. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated September 4, 2001, 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	\$3,125	\$781	\$1,479	\$5,385
1998	2,896	724	895	4,515
1999	2,481	620	586	<u>3,687</u>
			TOTAL DUE	<u>\$13,587</u>

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2003.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this _____ day of _____, 2003, 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]
