

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16773
[REDACTED])	
)	DECISION
Petitioner.)	
_____)	

On April 12, 2002, 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 1995 through 2000 in the total amount of \$19,575.

On June 14, 2002, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not request a hearing but chose to submit additional documentation for consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information from the Idaho Department of Labor that showed the taxpayer received wages in the years 1995 through 2000. The Bureau researched the Tax Commission's records and found that the taxpayer did not file Idaho income tax returns for those years. The Bureau sent the taxpayer a letter asking him about his requirement to file Idaho income tax returns. The taxpayer failed to respond.

The Bureau obtained additional information [Redacted] and determined the taxpayer did have a requirement to file Idaho income tax returns. The Bureau prepared returns for the taxpayer and sent the taxpayer a Notice of Deficiency Determination. The taxpayer protested the Bureau's determination stating that he had filed his 1995 through 1999 returns with the federal bankruptcy court.

The Bureau contacted the Tax Commission's Bankruptcy section to verify whether or not it had received income tax returns for the taxpayer from the bankruptcy court. The Bankruptcy

section did not receive any returns for the taxpayer from either the court or the taxpayer. The Bureau corresponded further with the taxpayer telling him the Tax Commission did not have his returns and asking him to clarify his position. The taxpayer responded with documentation showing he was ordered by the bankruptcy court to file all required income tax returns and provide a copy of the returns to the bankruptcy trustee. The taxpayer also provided a document that stated the trustee provided the court with a report and that the trustee was discharged from and relieved of the trust.

The Bureau referred the matter for administrative review. The Tax Commission sent the taxpayer a letter giving him two options for having the Notice of Deficiency Determination redetermined. The taxpayer responded that it was his intention to provide additional documentation. He was in the process of getting his W-2s for the years but he needed more time. The taxpayer stated he should have the necessary documents and be able to present them by December 24, 2002.

The Tax Commission allowed the taxpayer the time he needed; however, the taxpayer did not provide any additional documentation. The Tax Commission sent the taxpayer another letter giving him a final date to provide the additional information or to contact the Tax Commission. The taxpayer did not respond. Therefore, the Tax Commission decided the matter based upon the information available.

For each of the years, 1995 through 2000, the taxpayer received wages in excess of the filing requirement of Idaho Code section 63-3030. The Bureau determined the taxpayer's income figures from information reported to the Idaho Department of Labor [Redacted]. The taxpayer did not contest the fact that he was required to file Idaho income tax returns nor did he contest the amounts determined as his income.

The taxpayer's protest of the Notice of Deficiency Determination seemed to be that he had filed most of his returns and that he had gone through a bankruptcy. The taxpayer may have in fact provided copies of his [Redacted] state income tax returns to the bankruptcy court. However, providing copies to the court does not constitute filing those returns with the proper tax authorities.

In the last correspondence from the taxpayer he stated he was in the process of obtaining copies of his W-2 wage statements. From this statement, the Tax Commission assumed that the taxpayer was contesting the Bureau not giving him credit for withholdings taken on his wages. In reviewing this issue, the Tax Commission is cognizant of the fact that the taxpayer's employers were required to make withholdings on the taxpayer's wages. Regardless, the amount of the withholdings for each year is both unknown and undocumented. The taxpayer bears the burden of showing that he is entitled to a credit for withholdings.

The taxpayer has not shown the returns the Bureau prepared are erroneous. The taxpayer did not meet his burden of proof. Albertson's, Inc. v. State, Dept. of Revenue, State Tax Com'n, 106 Idaho 810, 683 P.2d 846 (1984). Therefore, the Tax Commission finds the taxpayer was required to file Idaho income tax returns and the returns prepared by the Bureau are an accurate representation of the taxpayer's taxable income.

The Bureau added interest and penalty to the returns it prepared for the taxpayer. 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 April 12, 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>
1995	\$1,277	\$ 319	\$ 721	\$ 2,317
1996	1,774	444	854	3,072
1997	2,129	532	840	3,501
1998	2,721	680	864	4,265
1999	2,823	706	690	4,219
2000	2,232	558	367	<u>3,157</u>
			TOTAL DUE	<u>\$20,531</u>

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 _____, 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]
[Redacted]_____