

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 16843
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On July 2, 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 through 2000 in the total amount of \$55,621.

The taxpayer filed a timely appeal. 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.

Because Tax Commission records showed the taxpayer met the state income tax filing requirements and had not filed Idaho returns for the years in question, the Bureau attempted to contact the taxpayer for an explanation of why no Idaho returns had been filed. The taxpayer did not respond to the inquiry.

[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 had not filed Idaho income tax returns for the years 1996 through 2000, the Bureau prepared returns on his behalf and sent him a Notice of Deficiency Determination. In response to the deficiency notice, the taxpayer sent a letter of appeal. He said:

I do not agree with the State of Idaho's determination that I owe back taxes. The specific factual and legal reason is I have not had any taxable income in the periods stated. However, My accountant is currently preparing taxes for the years stated and will follow shortly, in order to show the state that I do not owe any back taxes.

Nothing further was heard from the taxpayer and his file was transferred to the Legal/Tax Policy Division for administrative review. He did not respond to a letter from the Tax Appeals Specialist that advised him of his appeal rights.

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

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

(2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

Tax Commission records show the taxpayer was an Idaho resident during 1996 through 1999 and was the "owner/operator" of an Idaho business known as [Redacted]. Income records show his 1999 income included \$54,400 in proceeds from a real estate sale.

The taxpayer stated that he had no taxable income during the periods in question. Yet, during the same period of time, he signed more than one sworn statement contradicting that claim. In 1999, he signed an application for a loan wherein he stated his annual income was \$100,000. He submitted nothing 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 July 2, 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>
1966	\$7,405	\$1,851	\$3,304	\$12,560
1997	7,385	1,846	2,651	11,882
1998	7,373	1,843	2,078	11,294
1999	7,364	1,841	1,539	10,744
2000	7,254	1,814	936	<u>10,004</u>
			TOTAL DUE	<u>\$56,484</u>

Interest is computed through January 15, 2003.

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]

\_\_\_\_\_