

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16853
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On July 3, 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 1999 and 2000 in the total amount of \$5,785.

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 he 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 taxpayer did not file state income tax returns, the Bureau prepared provisional returns and issued a deficiency notice. [Redacted] No withholding was identified.

The taxpayer responded with a letter of protest from his accountant. He said the returns were being prepared and would be provided “in the near future.” The Bureau asked for an estimated completion date but received no answer. After a delay to allow time for the returns to be prepared, the file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review.

On November 26, 2002, the Tax Commission received the taxpayer’s Idaho income tax returns for 1999, 2000, and 2001. The returns the taxpayer submitted for the years 1999 and 2000 were compared with Tax Commission records and the federal information. The 2000 return appeared to be accurate. However, the Idaho return for 1999 was not acceptable as filed.

The adjusted gross income shown in the 1999 return did not include \$6,700 of income that was shown in both federal and state income records. The Tax Appeals Specialist contacted the taxpayer’s representative who promised to contact the taxpayer for an explanation. No further information has been received from either the accountant or the taxpayer.

The taxpayer’s Idaho return for 2000 is accepted as filed subject to examination during the period allowable under Idaho Code § 63-3068(a). [Redacted]. Credit for an additional exemption is allowed and the withholding identified in the W-2 attached to the return offsets a portion of the resulting tax.

WHEREFORE, the Notice of Deficiency Determination dated July 3, 2002, is hereby MODIFIED and, as so modified, is 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>
1999	\$1,872	\$468	\$400	\$2,740
2000	1,504	376	200	<u>2,080</u>
			TOTAL DUE	<u>\$4,820</u>

Interest is computed through February 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]