

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 17157
[Redacted])	
)	DECISION
Petitioners.)	
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On December 6, 2002, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable year 1998 in the amount of \$4,145.

The taxpayers filed a timely appeal. They submitted limited additional information but did not request a conference. 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 taxpayers met the state income tax filing requirements and had not filed an Idaho return for 1998, the Bureau attempted to contact the taxpayers for an explanation. The taxpayers 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 taxpayers had not filed an Idaho income tax return for 1998, the Bureau prepared a return on their behalf and sent them a Notice of Deficiency Determination. [Redacted] sent an e-mail message protesting the determination. In that e-mail message and subsequent letter, she said she and [Redacted] were no longer married. In one place, she said she was having trouble getting the necessary income information from [Redacted] and in another place she said she had taken her information to have a return prepared and would submit it within 30 days. She also said the taxpayers had two dependent children in 1998. She furnished a copy of a divorce decree that referred to one of the children.

The Bureau wrote the taxpayers back acknowledging [Redacted]'s protest. Neither of the taxpayers responded to that letter or an additional letter again asking the taxpayers to submit a 1998 Idaho return. Nothing further was heard from the taxpayers and their file was transferred to the Legal/Tax Policy Division for administrative review. Although a letter advising the taxpayers of their appeal rights was sent to the taxpayers, neither of them made any further contact with the Tax Commission.

Tax Commission records show that in 1998 the taxpayers were Idaho residents with Idaho sourced income in excess of Idaho's filing requirements. However, they have not filed an Idaho individual income tax return.

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 their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The Bureau prepared a return on behalf of the taxpayers using available income information. The Bureau could not make adjustments to the tax resulting from that income or take more than the standard deduction or more than two exemptions on behalf of the taxpayers without knowing the adjustments to make.

Now that the Tax Commission has knowledge of the taxpayers' two dependents, the tax is computed accordingly and the grocery credit is adjusted to reflect four credits instead of two. Withholding that could be identified reduces the resulting tax due. Penalty and interest is applied in accordance with Idaho Code.

WHEREFORE, the Notice of Deficiency Determination dated December 6, 2002, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$2,246	\$562	\$694	\$3,502

Interest is computed through August 1, 2003.

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

An explanation of taxpayers' 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]

[Redacted]
