

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of )  
 ) DOCKET NO. 17609  
[Redacted], )  
 ) DECISION  
 )  
Petitioner. )  
\_\_\_\_\_ )

On August 28, 2003, 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 2000 and 2001 in the total amount of \$9,899.

On September 19, 2003, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not request a hearing but rather submitted additional information for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

[Redacted] The Bureau reviewed the information and determined it applied to the taxpayer's Idaho income tax return. However, when the Bureau went to make the adjustments, the Bureau found that the taxpayer did not file an Idaho income tax return for 2000. The Bureau did further research and found the taxpayer had also failed to file a 2001 Idaho return.

The Bureau sent the taxpayer letters asking about his Idaho filing requirement. The taxpayer failed to respond. The Bureau found that the taxpayer had wages reported to the Idaho Department of Labor for both 2000 and 2001. He also had an Idaho address. The Bureau determined the taxpayer was required to file Idaho income tax returns, so it prepared returns for the taxpayer based upon the information available and sent the taxpayer a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination with an "Affidavit of Exemption From Personal State Income Taxes." In addition to the affidavit, the taxpayer returned a copy of the Notice of Deficiency Determination with a stamp of "**REFUSAL FOR CAUSE WITHOUT DISHONOR U.C.C. 3-505 DATE 09-19-03**." The Bureau recognized the taxpayer's protest as one similar to tax protestor movements and forwarded 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 failed to respond. The Tax Commission sent a follow-up letter to the taxpayer, to which he responded with a letter titled "VERIFICATION AND VALIDATION OF DUTY, OBLIGATION, LIABILITY, REQUIREMENT OR DEBT INQUIRY." In the letter the taxpayer requested copies of various documents regarding his supposed Idaho income tax liability. The Tax Commission provided him with the documentation/information he requested and waited for a response to his hearing rights.

The taxpayer responded with a packet of information that contained a copy of all the information the Tax Commission had just sent to the taxpayer, a cover letter, and a fax cover sheet to an unknown person. In the taxpayer's cover letter he referenced a letter he sent to [Redacted] that was part of the information provided. The taxpayer stated the letter contained an explanation of the information the Tax Commission received concerning the amounts the Tax Commission feels is due. The taxpayer said this information would allow the Tax Commission to make the necessary changes to stop this incorrect collection. However, that letter was not part of the documents the taxpayer submitted to the Tax Commission.

The Tax Commission asked the taxpayer to provide a copy of the letter sent to the [Redacted], but what the taxpayer provided was duplication of the materials he had previously sent. The Tax Commission made the request again, but the taxpayer failed to respond. Therefore, the Tax Commission makes its decision based upon the information currently available.

In both 2000 and 2001, the taxpayer received wages while working for [Redacted]. In 2001, the taxpayer also received wages from [Redacted]. The wages received from [Redacted] were reported to the Idaho Department of Labor. Other information shows the taxpayer was living in Idaho at the time he received the income.

Idaho Code section 63-3002 states it is the intent of the Idaho legislature to impose a tax on residents of this state measured by their income from whatever source derived. Idaho Code section 63-3030 states that if an individual received income in excess of the amount identified in Internal Revenue Code section 6012(a)(1), they are required to file an income tax return with the state of Idaho.

The information available shows the taxpayer was a resident of Idaho in 2000 and 2001. It also shows the taxpayer received income well in excess of the amount provided in the Internal Revenue Code. Therefore, the taxpayer was required to file Idaho income tax returns for 2000 and 2001.

The taxpayer stated in his protest letter that he was not liable for the “State Franchise Tax.” He stated various things such as he is not a franchise, he is not a corporate officer, he is not involved in a revenue taxable activity, and he is not a resident of this state. He also questioned jurisdiction, filing requirement, and residency.

The letter the taxpayer used was a form letter in which he filled in blanks. The letter cited sections of code, which the Tax Commission identified as being part of [Redacted]Revenue and Taxation Code. When the letter left a blank to be filled in, the taxpayer filled the blank with a reference to [Redacted]. In some cases the blanks were part of a citation of the [Redacted] code. It appears from the overall reading of the letter that it was written to appeal tax matters in the state of [Redacted]. The letter made no reference to any Idaho Code sections on which this case is governed.

The taxpayer did not provide anything to show error on the part of the Bureau in its determination of his Idaho tax. From what was provided, it is apparent the taxpayer was using forms from a program that was designed for use in another state. The Tax Commission is not going to attempt to attribute the arguments made for another state to Idaho. Regardless, the taxpayer has not met 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, based upon the facts that the taxpayer was living in Idaho and he received income in excess of the filing requirements, the Tax Commission finds the taxpayer was required to file Idaho income tax returns.

The Tax Commission reviewed the returns the Bureau prepared for the taxpayer and found them to be an accurate representation of the taxpayer's taxable income. The Bureau added penalty and interest to the taxpayer's Idaho tax. 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 August 28, 2003, 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>
2000	\$3,014	\$ 754	\$ 737	\$ 4,505
2001	4,182	1,046	700	<u>5,928</u>
				<u>\$10,433</u>

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

DATED this \_\_\_\_ day of \_\_\_\_\_, 2004.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2004, 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]

Receipt No.

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