

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 17707
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On August 25, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 2000 and 2001 in the total amount of \$29,504.

The taxpayers filed a timely appeal. They submitted 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.

Tax Commission records showed the taxpayers met the state income tax filing requirements but had not filed Idaho individual income tax returns for 1999, 2000, and 2001. The Bureau contacted the taxpayers by form letter dated May 6, 2003.

Mr. [Redacted] responded with a letter that explained the taxpayers are “perennially behind” filing their federal and state income tax returns. He said they are both retired from “regular work” but are very busy with their Christian ministries and a home-based computer business. He said the heavy schedule resulted in his heart attack three years prior. He said he is behind with the Internal Revenue Service (IRS), but the IRS has been patient with them because they have always received refunds.

[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 did not file their Idaho returns, the Bureau issued the NODD covering the years 2000 and 2001. The taxpayers' 1999 Idaho return was received on December 1, 2003.

The taxpayers appealed the NODD in a letter signed by [Redacted] wherein he again detailed the circumstances in their lives that have prevented him from completing his income tax returns. He asked for and was granted two additional months for the preparation of each missing return.

At the conclusion of the stay, the taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review. The Tax Appeals Specialist sent the taxpayers a letter explaining their options regarding their appeal the same day the Tax Commission received the taxpayers' 2000 Idaho return with full payment of the tax, penalty, and interest. The Tax Commission accepts the return as filed. However, acceptance of the actual 2000 return does not preclude the Tax Commission from conducting an examination of the return during the period allowable under Idaho Code § 63-3068(a).

On August 16, 2004, [Redacted] telephoned the Tax Appeals Specialist. He asked for two additional months to prepare the taxpayers' 2001 Idaho tax return. To date, the taxpayers 2001,

2002, and 2003 Idaho individual income tax returns have not been filed.

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).

WHEREFORE, the Notice of Deficiency Determination dated August 25, 2003, 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 for 2001:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$2,374	\$593	\$513	\$3,480
		PAYMENT	<100>
		TOTAL DUE	<u>\$3,380</u>

Interest is computed through December 31, 2004.

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 \_\_\_\_\_, 2004.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

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]

[Redacted]

[Redacted]

[Redacted]