

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 17726
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On August 26, 2003, 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 years 2000 and 2001 in the total amount of \$4,837.

The taxpayers filed a timely protest. They did not request a conference and did not submit additional information. 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 taxpayers failed to file their Idaho individual income tax returns even though Tax Commission records show they 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 taxpayers did not file state income tax returns, the Bureau prepared provisional

returns and issued a deficiency notice. The income amounts were determined by examining the records retained by the Tax Commission [Redacted].

In response to the deficiency notice, [Redacted] sent a letter protesting the determination. He said he was self-employed in 2000 and “had virtually no taxable income.” In 2001, 2002, and part of 2003, he worked for [Redacted] and income tax was withheld from each paycheck. He admitted he was negligent in not filing tax returns and would “rectify that as soon as possible.” He expressed his belief that there would be no state taxes owing but offered to “work with the tax commission to get this resolved as soon as possible.”

The Bureau sent the taxpayers a letter acknowledging the protest Mr. [Redacted] had filed. The taxpayers were asked to provide the information they wished to have considered for their appeal by December 5, 2003. Neither of the taxpayers responded, and the Bureau transferred the taxpayers’ file to the Legal/Tax Policy Division of the Tax Commission for administrative review. The Tax Appeals Specialist sent the taxpayers a letter advising them of their appeal rights and responsibilities. No response was received.

The records suggest the taxpayers were shareholders and/or partners in more than one Idaho business during both 2000 and 2001. [Redacted] records show the taxpayers received income from wages, dividends, stocks and bonds, non-employee compensation, and other miscellaneous sources during a portion of the time identified in the notice. Yet the taxpayers have furnished nothing to dispute the Bureau’s claim of tax due to Idaho.

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 taxpayers have not denied they have a filing requirement. No returns have been filed and no information has been submitted to dissuade the Tax Commission from accepting the Bureau's determination of Idaho income and resulting income tax for 2000 and 2001. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated August 26, 2003, is hereby 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>
2000	\$1,932	\$483	\$410	\$2,825
2001	1,561	390	211	<u>2,162</u>
			TOTAL DUE	<u>\$4,987</u>

Interest is computed through August 1, 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]

---