

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 17903
[REDACTED],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On December 9, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer), proposing income tax, penalty, and interest for taxable years 1997 through 2001 in the total amount of \$28,633.

The taxpayer filed a timely appeal. She did not submit additional information and 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 taxpayer met the Idaho income tax filing requirements for taxable years 1997 through 2001. The Bureau requested and received a transcript of the taxpayer's federal income records from the Internal Revenue Service (IRS). The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077. The taxpayer's federal returns had not been filed.

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.

The Bureau prepared returns on the taxpayer's behalf and sent her a Notice of Deficiency Determination. Subsequently, the taxpayer provided a 1997 Idaho tax return that had been prepared with a filing status of married filing jointly with her deceased husband. The Bureau sent the taxpayer a letter advising her the portion of the NODD addressing 1997 was canceled. The taxpayer's 1997 Idaho return will not be a part of this decision.

The taxpayer protested the NODD, and her file was transferred to the Legal/Tax Policy Division for administrative review. The Tax Appeals Specialist sent the taxpayer a letter explaining her options regarding her appeal. She did not respond.

Tax Commission records show that during the years 1998 through 2001 the taxpayer was an Idaho resident with Idaho sourced income. According to Tax Commission sales and use tax records, the taxpayer was the owner of an Idaho business known as [Redacted] during the years at issue. The business's sales and use tax returns reporting sales during the years in question established an Idaho income tax return filing requirement.

The Tax Commission received a letter from the taxpayer dated April 15, 1999. It was on the taxpayer's business's letterhead. The letter asked for "a six-month extension to file Idaho individual income tax return." The letter showed an estimated payment due for 1998 of \$2,071.

In her letter of protest dated February 3, 2004, the taxpayer explained that her husband died in 1998 leaving her grief-stricken and unable to function. She said she has been diagnosed with a chronic mental illness and is receiving Social Security benefits as a disabled widow. In addition, she is receiving medical treatment for chronic fatigue, which the doctor hopes will improve after six weeks of medication. She asked for additional time to: “gather my documentation and prepared [sic] the required reports.”

The taxpayer again asked for additional time in a letter dated August 17, 2004. She said: “The above returns are currently being prepared with an expected completion date starting Sept. 30, 2004, for 1998. And the following years 1999-2001 filed monthly thereafter. Final completion of December 2004.” To date, the Tax Commission has received none of the taxpayer’s promised Idaho individual income tax returns.

The Bureau used the taxpayer’s business’s sales tax reports to calculate the Idaho individual income tax amounts while allowing the standard deduction and credit for one personal exemption. No withholding could be identified, but a grocery credit reduced each year’s tax amount.

The taxpayer petitioned the Tax Commission to waive the penalty and interest. However, the Tax Commission has reviewed the interest and penalty the Bureau added pursuant to Idaho Code §§ 63-3045 and 63-3046 and found them proper and in accordance with Idaho Code.

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 her argument, the taxpayer has failed to meet her 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 December 9, 2003, 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>
1998	\$3,795	\$ 949	\$1,480	\$ 6,224
1999	4,066	1,017	1,289	6,372
2000	2,606	652	618	3,876
2001	4,495	1,124	719	<u>6,338</u>
			TOTAL	<u>\$22,810</u>

Interest is computed through December 31, 2004.

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 \_\_\_\_\_, 2005.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2005, 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.  
  
\_\_\_\_\_