

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

| | | |
|----------------------------------|---|------------------|
| In the Matter of the Protest of, |) | |
| |) | DOCKET NO. 18163 |
| [REDACTED], |) | |
| |) | DECISION |
| Petitioner. |) | |
| _____ |) | |

On June 8, 2004, 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 and 1998 in the total amount of \$4,993.

The taxpayer filed a timely appeal. He 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 was an Idaho resident who appeared to meet the state income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why he did not file his 1997 and 1998 Idaho returns, but he did not respond to the inquiries.

[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.

The Bureau prepared 1997 and 1998 Idaho income tax returns on the taxpayer's behalf and sent

him a NODD. The taxpayer sent a letter of protest that was signed by the taxpayer and his wife. The letter said in pertinent part, “We do not agree with this determination because dependant deductions were not included in the determination along with all of our withholdings.”

The Bureau sent a letter to the taxpayer to acknowledge his protest, and his file was transferred to the Legal/Tax Policy Division for administrative review. The Tax Appeals Specialist sent the taxpayer a letter explaining his appeal rights. He did not respond.

Tax Commission records show that during 1997 and 1998 the taxpayer was an Idaho resident with Idaho sourced income in excess of Idaho’s filing requirement. These facts the taxpayer does not dispute. However, Tax Commission records show the taxpayer’s Idaho returns for those years have not been filed.

The Bureau used W-2 information [Redacted] to calculate the taxpayer’s Idaho tax amount. The standard deduction and credit for one personal exemption were allowed. Withholding in the amount of \$731 was identified for 1997 in Tax Commission records; however, no withholding could be identified for 1998. The withholding and each year’s grocery credit reduced the tax amounts. The Bureau added interest and penalty pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions 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 of his argument, the taxpayer has failed to meet his 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 June 8, 2004, 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> |
|-------------|------------|----------------|-----------------|--------------|
| 1997 | \$1,148 | \$287 | \$548 | \$1,983 |
| 1998 | 1,883 | 471 | 799 | <u>3,153</u> |
| | | | TOTAL | \$5,136 |

Interest is computed through March 1, 2005.

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]

[REDACTED]
