

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

| | | |
|---------------------------------|---|------------------|
| In the Matter of the Protest of |) | |
| |) | DOCKET NO. 18605 |
| [REDACTED], |) | |
| |) | DECISION |
| Petitioners. |) | |
| _____ |) | |

On December 9, 2004, the Income Tax Audit Bureau (Audit) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers), proposing additional individual income tax, penalty, and interest in the total amount of \$5,133 for tax years 2001, 2002, and 2003.

The taxpayers filed a timely appeal and petition for redetermination. They did not submit additional information or request a conference. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision.

Audit selected the taxpayers' 2001, 2002, and 2003 Idaho income tax returns for review. All three years had been filed using a filing status of married filing joint and refunds were issued as follows: \$1,373 for tax year 2001, \$1,333 for tax year 2002, and \$1,096 for tax year 2003. Audit reviewed the taxpayers' federal and state returns and the accompanying schedules.

Audit asked the taxpayers to provide documentation to substantiate various deductions and other adjustments. When, after several extensions of time, the taxpayers failed to submit the requested documents for review, Audit prepared and sent a NODD.

The taxpayers appealed the determination and requested consideration. Their file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to a letter advising them of their appeal rights and have not contacted the Tax Commission further.

In the taxpayers' letter appealing the audit findings, the taxpayers explained that they have had three deaths in their family in recent months causing them to be gone a lot, have both been ill, and have moved several times during the last five years. They suggested the moves could be verified by the postal service and rental agreements. They provided no authority for the adjustments taken in their 2001, 2002, and 2003 Idaho returns.

In a letter dated May 6, 2004, the auditor listed the specific items required to verify the accuracy of the taxpayers' returns. Additional letters have been sent and delays have been granted. Yet, more than a year has passed, and still the taxpayers have submitted nothing.

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). The burden is on the taxpayers to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984). The taxpayers have not met their burden of proof.

WHEREFORE, the Notice of Deficiency Determination dated December 9, 2004, 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 through 2003:

| <u>YEAR</u> | <u>TAX</u> | <u>PENALTY</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|------------|----------------|-----------------|------------------------|
| 2001 | \$1,235 | \$62 | \$235 | \$1,532 |
| 2002 | 1,604 | 80 | 202 | 1,886 |
| 2003 | 1,621 | 81 | 118 | <u>1,820</u> |
| | | | TOTAL | <u>\$ 5,238</u> |

Interest is computed through July 1, 2005.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayers' 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]

RECEIPT NO.
