

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 18681
[Redacted],	)	
	)	DECISION
Petitioners.	)	
	)	
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On February 13, 2004, 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 1998 and 1999 in the total amount of \$3,090.

The taxpayers filed a timely appeal. They 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 taxpayers met the state income tax filing requirements but had not filed Idaho returns for 1998 and 1999. The Bureau attempted to contact the taxpayers for an explanation, but they 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.

Because the taxpayers met the filing requirements for filing Idaho income tax returns for 1998

and 1999 and had not filed returns, the Bureau prepared returns on their behalf and sent them a Notice of Deficiency Determination. The taxpayers appealed the determination in a letter signed by [Redacted]

Mrs. [Redacted] stated she sold Avon in 1997, but she was unsure of events after that time because of the many family tragedies during that timeframe. She said she was diagnosed with major depressive disorder resulting in electro shock treatments in late 1999.

The Bureau wrote the taxpayers a letter acknowledging their protest. They were asked to provide information by May 10, 2004. On May 10, 2004, the Bureau received a short note from [Redacted] asking for the meaning of the Tax Discovery Section. In a letter dated the same day, the Bureau explained the purpose of the Tax Discovery Bureau and the NODD. The taxpayers were told the NODD was issued based on available income information and were offered the opportunity to accept the Bureau's determination of tax due and withdraw their protest.

On August 19, 2004, Mrs. [Redacted] sent a letter stating that she had an [Redacted] business in 1997 and 1998 but could not find the paperwork at the time she filed. She said: "I have since found it and would like to include it. It still has to be figured out." She asked for a 90-day extension to get her papers together. After an extended length of time, when nothing further was heard from the taxpayers, their file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to a letter explaining their appeal options.

Tax Commission records show that, during 1998 and 1999, the taxpayers were Idaho residents with Idaho sourced income in excess of Idaho's filing requirement. These facts the taxpayers do not dispute. However, they have not filed their returns.

The Bureau calculated the Idaho tax amount using the income shown in copies of federal 1099s and W-2s filed in the taxpayers' names. The standard deduction and two personal exemptions were allowed. Withholding identified in Tax Commission records and two grocery credits reduced

the tax.

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 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 February 13, 2004, 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>
1998	\$1,818	\$455	\$763	\$3,036
1999	121	30	42	<u>193</u>
			TOTAL	<u>\$3,229</u>

Interest is computed through July 1, 2005.

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

IDAHO STATE TAX COMMISSION

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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]

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