

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[REDACTED],) DOCKET NO. 18863
)
) DECISION
Petitioners.)
)
_____)

On November 16, 2004, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers), proposing income tax, penalty, and interest for tax years 2000 and 2001 in the total amount of \$4,981.

The taxpayers protested the determination and submitted a completed Idaho income tax return for 2001 that was accepted by the Bureau. As such, the taxpayer's 2001 Idaho income tax return will not be discussed in this decision. The taxpayers provided no documents addressing tax year 2000. The Tax Commission, having reviewed the file, hereby issues its decision based thereon.

Information available to the Tax Commission indicated the taxpayers were Idaho residents who met the state filing requirements. Because the Tax Commission's files did not include the taxpayers' 2000 and 2001 returns, the Bureau prepared returns on their behalf and issued the NODD to them.

The taxpayers protested that determination in a letter signed by [Redacted] stating he was amending his federal returns because of a large variance in his annual income. He said the adjustment to the income would result in a dramatic change to the amount owed for the 2000 and 2001 tax years.

The Bureau responded to the taxpayers' protest with a letter acknowledging the protest. Subsequently, the Bureau received the taxpayers' 2001 return and sent a letter that canceled the NODD for 2001. The taxpayers were asked to provide a complete 2000 Idaho return (to include a copy of their federal return and W-2s) no later than May 15, 2005. Nothing further was heard from the taxpayers, and their file was transferred to the Legal/Tax Policy Division for administrative review.

Idaho Code § 63-3002 defines the intent of the Idaho legislature regarding Idaho income tax:

63-3002. Declaration of intent. -- It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

Idaho Code § 63-3030 establishes the filing requirement for an Idaho income tax return:

63-3030. Persons required to make returns of income. -- (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

- (1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code.
- (2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

The taxpayers do not deny the law requires them to file a 2000 Idaho income tax return. They did not file that return, so the bureau prepared a return on their behalf using the Idaho income information contained in W-2s and 1099s [Redacted] and other information retained by the Tax

Commission. [Redacted]

The Bureau calculated the taxpayer's Idaho tax with the standard deduction and two exemptions. No withholding was identified. Interest and penalty was added 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 Comm'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayers to show that the tax deficiency determination is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

Absent information to the contrary, the Tax Commission accepts the Bureau's calculation of Idaho income tax, penalty, and interest for 2000.

WHEREFORE, the Notice of Deficiency Determination dated November 16, 2004, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest for tax year 2000:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$1,779	\$445	\$488	\$2,712

Interest is calculated through August 15, 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.
