

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18756
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On March 24, 2005, 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 tax years 1999 and 2000 in the total amount of \$4,839.

The taxpayer protested the determination. He did not request a hearing but did provide additional information. The Tax Commission, having reviewed the file, hereby issues its decision based thereon.

Idaho Code § 63-3030 states:

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);

Information available to the Tax Commission indicated the taxpayer was an Idaho resident who met the filing requirements for filing Idaho resident income tax returns during the years in question. [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.

Determining the taxpayer had a requirement to file resident individual income tax returns, the Bureau prepared Idaho returns on his behalf and sent him a NODD. The taxpayer appealed.

In his letter, the taxpayer said he had the information to prepare the 1999 return but, in 2000, he lost his job in the middle of the year and did not go back to work at all that year. He said the Bureau's determination of tax was incorrect.

Subsequently, the taxpayer submitted his Idaho income tax return for 1999, which was accepted as filed. The Bureau sent the taxpayer a letter advising him the portion of the NODD addressing tax year 1999 was cancelled. Therefore, the taxpayer's 1999 Idaho income tax return will not be discussed further in this decision.

In a letter to the taxpayer dated November 30, 2005, the Bureau explained the 2000 income information [Redacted]. That information included wages, unemployment, distributions, and winnings from gambling. The taxpayer responded with a letter stating he had as much gambling losses as he did winnings. He asked how to claim the losses.

The Bureau explained the deduction for gambling losses to the taxpayer and allowed him additional time to prepare his 2000 Idaho return. However, when the return did not arrive after a considerable delay, his file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter from the Tax Appeals Specialist wherein he was

advised of his rights regarding his appeal.

The Bureau calculated the taxpayer's 2000 Idaho income tax responsibility for a single taxpayer allowing the standard deduction, one exemption, a grocery credit, and credit for \$1,973 of withholding.

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 taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer has failed to file his 2000 Idaho individual income tax return. Absent information to the contrary, the Tax Commission accepts the Bureau's calculation of Idaho income tax for the year.

WHEREFORE, the Notice of Deficiency Determination dated March 24, 2005, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pays the following tax, penalty, and interest for 2000:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$2,442	\$611	\$792	\$3,845

Interest is calculated through June 15, 2006.

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

An explanation of the taxpayer's right to appeal this decision is included with this decision.

DATED this ____ day of _____, 2006.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2006, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.
