

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18808
[REDACTED])	
Petitioner.)	DECISION
)	
)	
)	

On March 21, 2005, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for the taxable years 2000 and 2001 in the total amount of \$19,177.

On May 23, 2005, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has not provided anything further for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information from the Department of Labor that the taxpayer received wages for employment in Idaho. The Bureau researched the Tax Commission's records and found that the taxpayer did not file Idaho individual income tax returns for the taxable years 2000 and 2001. The Bureau sent the taxpayer a letter asking him about his requirement to file Idaho income tax returns. The taxpayer did not respond. The Bureau obtained additional information from the Internal Revenue Service and determined the taxpayer did have a filing requirement. The Bureau prepared returns for the taxpayer and sent him a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination. He stated he was out of the country for a period of time during those years. He said he would file the necessary paperwork within six weeks.

The Bureau never received anything from the taxpayer, so the file was referred for administrative review. The Tax Commission reviewed the matter and sent the taxpayer a letter giving him two options for having the Notice of Deficiency Determination redetermined. The taxpayer did not respond. The Tax Commission sent a follow-up letter to the taxpayer but still received no response from the taxpayer. Therefore, the Tax Commission decided the matter based upon the information currently available.

Idaho Code section 63-3002 states the intent of the Idaho legislature regarding the Idaho Income Tax Act: to impose a tax on the residents of this state measured by their income derived from all sources and on nonresidents who derive income from this state. Idaho Code section 63-3030 provides the income thresholds for filing Idaho income tax returns.

The taxpayer was employed by Micron Technology in both 2000 and 2001. The wages he earned were well in excess of the filing thresholds of Idaho Code section 63-3030. The taxpayer filed resident Idaho income tax returns for the years 1995 through 1999. Therefore, from the information available, it appears that the taxpayer was an Idaho resident or at least domiciled in Idaho; he had income in excess of the filing requirements; and he made an estimated tax payment for 2000. He should have filed Idaho individual income tax returns.

The taxpayer stated he was out of the country for part of both 2000 and 2001. From this statement, it sounds as if the taxpayer believes that some of his income is not taxable by Idaho. However, if the taxpayer was domiciled in Idaho, he was required to report to Idaho his income from all sources. (See Idaho Code sections 63-3002 and 63-3013.) Furthermore, the taxpayer provided no information to show that he met the safe harbor provisions of Idaho Code section 63-3013. Therefore, all his income should have been reported to Idaho.

The taxpayer stated he would file the necessary paperwork within six weeks. The Tax Commission does not know what the taxpayer meant by necessary paperwork; nevertheless, the taxpayer did not submit anything for the Tax Commission to consider. The taxpayer has not met his burden of proof. Albertson's Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814 (1984); Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986). Considering the information available, the Tax Commission upholds the Bureau's determination.

WHEREFORE, the Notice of Deficiency Determination dated March 21, 2005, 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>
2000	\$9,078	\$2,270	\$3,014	\$14,362
2001	3,797	949	968	<u>5,714</u>
				<u>\$20,076</u>

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.
