

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 18811
[Redacted],	)	
	)	DECISION
Petitioner.	)	
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On March 24, 2005, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted](petitioner), proposing income tax, penalty, and interest for the years 1997, 1998, 2001, and 2002 in the total amount of \$6,337.

On May 23, 2005, a timely protest and petition for redetermination was filed by the petitioner. An informal hearing has not been requested. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NOD.

The petitioner has failed to file his 1997, 1998, 2001, and 2002 individual income tax returns. On March 1, 2004, the Tax Discovery Bureau sent a letter with a questionnaire to the petitioner to help the Commission properly determine the petitioner's filing requirement. This letter was returned so the letter and questionnaire were sent on April 1, 2004, to a more current address for the petitioner. The petitioner did not respond to either letter, so i[Redacted]. The Commission issued a NOD on March 24, 2005, to the petitioner [Redacted].

In the petitioner's protest letter received May 23, 2005, he stated in part:

I wish to formally protest this determination. I have been unable to locate my paper work due to several relocations. Please do not take any action until I can get my books in order.

On October 20, 2005, the Tax Policy Specialist (policy specialist) sent the petitioner a hearing rights letter to inform him of his alternatives for redetermining a protested NOD. On

October 27, 2005, the Commission received the returned letter from the post office marked "Moved no order." On October 30, 2005, the Commission's records were checked for a more current address, but the address on the letter that was returned was the most current.

On December 13, 2005, the policy specialist sent the petitioner a letter after a review of his income information in the NOD dated March 24, 2005, issued to him showed additional income that was not included in the original NOD for tax years 1998 and 2002. The policy specialist included a table that listed these amounts and is shown below.

YEAR	PAYEE	TYPE	AMOUNT	STATE INCOME TAX WITHHOLDING	PAYOR
1998	[Redacted]	W-2	\$8,570	\$86	[Redacted]
1998	[Redacted]	W-2	\$1,114	?????	[Redacted]
1998	[Redacted]	W-2	\$12,387	?????	[Redacted]
2002	[Redacted]	W-2	\$1,540	?????	[Redacted]

The policy specialist also included a copy of the petitioner's W-2 statements with this letter that were found in the Commission's records or obtained from the petitioner's employers. The NOD was adjusted based upon the Idaho income tax withholding from these W-2s.

Since the petitioner was married in 1998, his income would be one-half of the community income (the petitioner and his wife's income combined). The same theory applies to income tax withholding.

It appears that the amount due from the petitioner for tax year 1998 and 2002 needs to be adjusted to reflect the additional income. The additional income increased the petitioner's Idaho adjusted gross income, tax, penalty, and interest for tax years 1998 and 2002.

The petitioner was given an opportunity to provide additional information or request a hearing with the Commission. The letter was sent to the petitioner's last known address but was returned marked "Moved No Order."

[Redacted] The petitioner has not provided the Commission with a contrary result to the determination of his income [Redacted] Therefore, the Commission must uphold the deficiency as modified.

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

IT IS ORDERED and THIS DOES ORDER that the petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$ 216	\$ 54	\$ 129	\$ 399
1998	665	166	347	1,178
2001	805	201	235	1,241
2002	1,050	263	240	<u>1,553</u>
			TOTAL DUE	<u>\$ 4,371</u>

Interest is computed through June 24, 2006.

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

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_ day of \_\_\_\_\_, 2006.

IDAHO STATE TAX COMMISSION

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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.

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