

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 18891
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On April 28, 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 taxable years 1997, 1998, and 1999 in the total amount of \$37,494.

The taxpayer filed a timely protest. He did not request a hearing or submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayer (who appeared to have received Idaho sourced income) had not filed Idaho individual income tax returns for the years 1997, 1998, and 1999. The bureau sent the taxpayer correspondence asking him for an explanation of why he had not filed Idaho returns. The taxpayer did not respond.

[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.

When the Bureau did not receive a response from the taxpayer, it prepared Idaho returns on behalf of the taxpayer for tax years 1997, 1998, and 1999. The NODD amounts were based on Tax Commission records [Redacted].

The Bureau received a letter of protest from the taxpayer complaining that the gross income figures were inaccurate. He did not deny he had a filing requirement and had not filed returns. He said he was working with an accountant to complete returns for tax years 1991 through 1993, which should be completed by October 10, 2005. He offered that he would “attempt” to complete the returns for the years in question by January 10, 2006.

Further research of available records indicated the taxpayer’s income levels and Idaho income tax responsibility for 1997 were not worth pursuing a tax return. Therefore, the Bureau cancelled the portion of the NODD addressing tax year 1997.

The Bureau sent the taxpayer a letter acknowledging his timely protest and allowing him additional time to have his returns prepared and submitted. When the Bureau did not receive the promised returns his file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. The taxpayer did not answer a letter from the Tax Appeals Specialist offering him the opportunity to appear for an informal conference or submit additional information.

The Tax Commission has received nothing to indicate the NODD prepared by the Bureau is in error. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

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). The taxpayer has failed to meet his 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 April 28, 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>
1998	\$13,670	\$3,418	\$6,660	\$23,748
1999	6,954	1,739	2,881	<u>11,574</u>
			TOTAL DUE	\$35,322

Interest is computed through August 31, 2006.

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

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

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

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

#### CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2006, 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]

DECISION -3  
[Redacted]

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