

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18967
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On July 29, 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 1998, 1999, and 2003 in the total amount of \$17,699.

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 1998 through 2003. The bureau sent the taxpayer correspondence asking him for an explanation of why he had not filed Idaho returns. The taxpayer did not respond.

In accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077, the Bureau contacted the Internal Revenue Service (IRS) and obtained the taxpayer's federal income information.

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 1998, 1999, and 2003. The NODD amounts were based on Tax Commission records and the income records received from the IRS.

The IRS records showed the taxpayer's income levels and Idaho income tax responsibility were not worth pursuing a tax return for the years 2000 through 2002. Therefore, Idaho returns for those years were neither prepared nor included in the NODD. They are not part of this decision.

The Bureau received a letter of protest from the taxpayer:

I am a cardiomyopathy – congestive heart failure, patient, i.e. (chronic illness). I have been greatly delayed due to the above illness. I fully intend to file my back returns by the end of October, 05, along with all support documents. Returns will be done through [Redacted], [Redacted]
I am preparing the return information now. Thank you

The Bureau sent the taxpayer a letter acknowledging his timely protest and advising him the file would be in abeyance until October 31, 2005. The Bureau did not receive the promised returns although additional time was allowed. The taxpayer's 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 taxpayer met the requirements for filing Idaho individual income tax returns for 1998, 1999, and 2003. However, he did not file those returns. Based on federal records, the Bureau prepared Idaho non-resident income tax returns on behalf of the taxpayer for tax years 1998 and 1999 using the filing status of single with one exemption. For tax year 2003, the bureau prepared an Idaho resident income tax return with a filing status of single with one exemption. No withholding was identified for any of the years at issue.

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 July 29, 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	\$4,361	\$1,090	\$1,995	\$ 7,446
1999	3,596	899	1,383	5,878
2003	3,400	850	375	<u>4,625</u>
			TOTAL	\$17,949

Interest is computed through February 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 enclosed.

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.