

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 19510
[REDACTED],)
) DECISION
Petitioner.)
_____)

On December 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 \$20,417.

On February 21, 2006, 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 provided no additional information for consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information that showed the taxpayer might have a filing requirement with the state of Idaho for the tax years 2000 and 2001. The Bureau researched the Tax Commission's records and found the taxpayer had not filed income tax returns for those years. The Bureau sent the taxpayer letters asking about his requirement to file income tax returns. The taxpayer failed to respond to the Bureau, so the Bureau obtained other information [Redacted]. From the information available, the Bureau determined the taxpayer was required to file Idaho income tax returns. The Bureau prepared returns for the taxpayer and sent him a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination stating he did not believe he owed any tax to the state of Idaho. The taxpayer wanted to resolve the matter with the Bureau, but he failed to follow through with anything to support his position.

The Bureau referred the matter for administrative review. The Tax Commission sent the taxpayer a letter giving him two alternative methods 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 the taxpayer failed to respond. Therefore, the Tax Commission decided the matter based upon the information available.

The Bureau received information that showed the taxpayer had nonemployee compensation in 2000 and 2001. The amounts reported were well in excess of the filing thresholds of Idaho Code section 63-3030 for each year. [Redacted]. The Bureau obtained information [Redacted] that showed the taxpayer owned the property at the given address, and he claimed the homeowner's exemption on the property beginning in 2000. The taxpayer also had Idaho driver's licenses beginning in 1990 and renewed every four years including 2001. All these pieces of information are indications that the taxpayer considered himself, and indeed was, a resident of Idaho.

Idaho Code section 63-3002 states the intent and purpose of the Idaho Income Tax Act,

[T]o impose a tax on residents of this state measured by Idaho taxable income wherever derived and on the Idaho taxable income of nonresidents which is the result of activity within or derived from sources within this state.

As a resident of Idaho, if the taxpayer had income in excess of the filing requirements of Idaho Code section 63-3030, he was required to file Idaho individual income tax returns. From the information available it is clear the taxpayer had income in excess of the filing requirement.

The taxpayer has provided nothing that shows otherwise. Therefore, the Tax Commission finds the taxpayer did have a requirement to file Idaho individual income tax returns.

In Idaho it is well established that a State Tax Commission deficiency notice is presumed to be correct, and the burden is on the taxpayer to show that the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). See also Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The taxpayer failed to provide anything to show the returns prepared by the Bureau were erroneous. He has not met his burden of proof. The Tax Commission reviewed the returns the Bureau prepared and, based upon the information available, found them to be a reasonable representation of the taxpayer's taxable income. Therefore, the Tax Commission upholds the Bureau's determination.

WHEREFORE, the Notice of Deficiency Determination dated December 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	\$10,435	\$2,609	\$3,873	\$16,917
2001	2,821	705	830	<u>4,356</u>
			TOTAL DUE	<u>\$21,273</u>

Interest is calculated to March 15, 2007.

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.
