

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 19491
[REDACTED],)
) DECISION
Petitioner.)
_____)

On April 14, 2006, 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 2003 and 2004 in the total amount of \$2,906.

On June 16, 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 nothing further for consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information [Redacted] that showed the taxpayer received wages for the tax years 2003 and 2004. The Bureau reviewed the Tax Commission's records and found the taxpayer did not file Idaho individual income tax returns for either year. The Bureau sent the taxpayer a letter asking about his requirement to file Idaho income tax returns. The taxpayer did not respond. The Bureau obtained additional information [Redacted] and 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. He stated that the Bureau used the incorrect filing status, that he had one dependent, that he had over \$1,000 of daycare expenses,

and that he had many other deductions. The taxpayer stated he would bring in and file proper tax returns if he got the chance.

The Bureau acknowledged the taxpayer's protest and allowed him additional time to submit income tax returns for the years in question. The Bureau followed up its correspondence a couple of months later yet received no returns from the taxpayer. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter discussing the methods available for redetermining a Notice of Deficiency Determination. 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 issues its decision based upon the information available.

The taxpayer worked for an Idaho employer in both 2003 and 2004. He also received unemployment compensation [Redacted] in both 2003 and 2004. The wages the taxpayer received exceeded the filing threshold provided in Idaho Code section 63-3030; therefore, the taxpayer was required to file Idaho individual income tax returns.

The taxpayer claimed his filing status was different, he had a dependent exemption, and he had other expenses that would reduce his taxable income. However, the taxpayer did not provide any information to substantiate his claims other than his statements. Deductions from gross income are a matter of legislative grace, and the taxpayer must be able to show he falls within the terms of the deduction. New Colonial Ice Co., Inc., v. Helvering, 54 S.Ct. 788, (1934). Since the taxpayer provided no information to show that he had any allowable deductions, the Tax Commission finds no basis for allowing any additional deductions, a dependent exemption, or a change in filing status.

In Idaho, it is well established that a State Tax Commission deficiency determination is presumed to be correct, and the taxpayer bears the burden of showing 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); Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The Bureau used information obtained [Redacted] to determine the taxpayer's taxable income. The taxpayer provided nothing to show that any of the income included should not be included in his taxable income. The taxpayer has not met his burden. Therefore, the Tax Commission upholds the Bureau's determination.

The Bureau added interest and penalty to the taxpayer's Idaho income tax liability. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated April 14, 2006, 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>
2003	\$ 942	\$236	\$194	\$1,372
2004	1,213	303	178	<u>1,694</u>
			TOTAL DUE	<u>\$3,066</u>

Interest is computed to August 15, 2007.

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 _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2007, 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.