

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 19660
[Redacted],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On July 17, 2006, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination [Redacted] (taxpayer), proposing income tax, penalty, and interest for the taxable years 1999 through 2003 in the total amount of \$9,833.

On September 15, 2006, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not request a hearing but chose to provide returns for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Bureau received information [Redacted] that showed the taxpayer filed his federal income tax returns with an Idaho address. The Bureau researched the Tax Commission's records and found the taxpayer did not file Idaho individual income tax returns for the tax years 1999 through 2003. The Bureau sent the taxpayer a letter asking about his requirement to file. The taxpayer responded that he was required to file Idaho income tax returns and asked to have forms and instructions mailed to him. The Bureau mailed the taxpayer forms and instructions and waited for the taxpayer to return them completed.

After several months of not receiving the returns, the Bureau obtained additional information [Redacted] and prepared returns for the taxpayer. The Bureau sent the taxpayer a Notice of Deficiency Determination, which the taxpayer protested. The taxpayer stated in his protest that the Bureau did not allow him the proper deductions.

The matter was referred for administrative review, and the Tax Commission sent the taxpayer a letter giving him two options for having the Notice of Deficiency Determination redetermined. The taxpayer did not respond. The Tax Commission sent a follow-up letter to the taxpayer. The taxpayer responded that he thought his Idaho returns were filed at the same time that he telefiled his federal income tax returns. He stated he did not know that he also had to telefile with Idaho. Nevertheless, the taxpayer stated that he completed his income tax returns and that he would mail them to the Tax Commission in the next couple of days.

The Tax Commission received the taxpayer's returns within a few days of the taxpayer's contact. The Tax Commission reviewed the taxpayer's returns and found them to be a more accurate representation of the taxpayer's Idaho income tax liability than the returns prepared by the Bureau. However, the taxpayer's returns for 1999 and 2000 showed that the taxpayer was entitled to a refund of excess withholdings. Idaho Code section 63-3072 states that a claim for credit or refund of amounts withheld from salaries, wages, or other compensation must be made within three years of the due date of the return for the taxable year for which the withholdings were made. The taxpayer's 1999 return was due April 15, 2000; his 2000 return was due April 15, 2001. The Tax Commission received the taxpayer's 1999 and 2000 returns on January 31, 2007, well past both due dates. Consequently, the Tax Commission cannot credit or refund the excess withholdings for 1999 and 2000. Otherwise, the Tax Commission accepts the taxpayer's returns in lieu of the returns the Bureau prepared, subject to the normal review processes of the Tax Commission.

WHEREFORE, the Notice of Deficiency Determination dated July 17, 2006, is hereby MODIFIED, in accordance with the provisions of this decision, and as so modified is 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>REFUND</u>	<u>REFUND ALLOWED</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1999	\$182	\$0	\$ 0	\$ 0	\$ 0	\$ 0
2000	226	0	0	0	0	0
2001			96	24	29	149
2002			77	19	18	114
2003			110	28	20	<u>158</u>
					TOTAL DUE	<u>\$421</u>

Interest is calculated to April 1, 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 included with this decision.

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]  
[Redacted]  
[Redacted]

Receipt No.  
  
\_\_\_\_\_