

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
[REDACTED],) DOCKET NO. 19784
)
) DECISION
Petitioner.)
_____)

On August 23, 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 2000 through 2004 in the total amount of \$8,795.

On October 25, 2006, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not request a hearing but rather chose to submit income tax returns for the Tax Commission's consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The taxpayer stopped filing Idaho individual income tax returns after filing her 1999 Idaho return. The Tax Discovery Bureau (Bureau) sent the taxpayer a letter asking her about her requirement to file returns for the tax years 2000 through 2004. The taxpayer acknowledged her requirement to file Idaho returns and established a schedule for submitting the returns to the Bureau. The taxpayer failed to meet the first deadline and the second deadline. Consequently, the Bureau prepared returns for the taxpayer using information it obtained [Redacted]. The Bureau sent the taxpayer a Notice of Deficiency Determination which the taxpayer protested.

The taxpayer stated the tax the Bureau determined was far in excess of any tax she owed the state of Idaho. The taxpayer stated she would complete and submit all past due returns by

November 17, 2006. She stated she was committed to keeping this time table and she would enlist professional help if needed.

November 17, 2006, passed with no returns submitted by the taxpayer. However, a couple of weeks later the Bureau received the taxpayer's 2000 Idaho income tax return. Having allowed the taxpayer ample time to provide the missing returns, the Bureau referred the matter for administrative review. The Tax Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayer's representative initially requested a hearing with the Tax Commission but upon later discussion it was decided that a hearing would not be necessary if the taxpayer would provide the needed income tax returns.

The Tax Commission allowed the taxpayer a significant amount of time in addition to the time she had when working with the Bureau, yet still no returns were submitted. Believing the taxpayer had more than adequate time to prepare and submit her income tax returns, the Tax Commission decided the matter based upon the information available.

The taxpayer acknowledged she had an obligation to file Idaho individual income tax returns. The taxpayer's sources of income were determined from W-2 Wage and Tax Statements [Redacted]. The burden rests on the taxpayer to disclose her receipts and to claim her proper deductions. United States v. Ballard, 535 F.2d 400 (1976). If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed and that taxpayer must bear her misfortune. Burnet v. Houston, 283 U.S. 223, 51 S.Ct. 413 (1931).

In Idaho, a State Tax Commission deficiency determination 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). The taxpayer has not met her burden. Therefore, the Tax Commission upholds the Bureau's determination of the taxpayer's taxable income for the taxable years 2001 through 2004.

As for the 2000 tax year, the Tax Commission accepts the return submitted by the taxpayer, subject to the normal review process of the Tax Commission, in lieu of the return prepared by the Bureau. The Notice of Deficiency Determination for the 2000 tax year is hereby cancelled.

The Bureau added interest and penalty to the taxpayer's tax deficiency. 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 August 23, 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>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$1,765	\$ 441	\$ 633	\$2,839
2002	1,214	304	357	1,875
2003	1,182	296	286	1,764
2004	1,207	302	219	<u>1,728</u>
			TOTAL DUE	<u>\$8,206</u>

Interest is computed to February 1, 2008.

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.
