

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19844
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On September 13, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 1998 and 2000 through 2004 in the total amount of \$14,182.

The taxpayer filed a timely protest. He did not request a conference, and the only additional information he provided was his 2003 Idaho individual income tax return. That return was accepted as filed subject to review at a later date. The taxpayer's 2003 Idaho return will not be discussed further in this decision. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

When the Bureau could find no record of the taxpayer's 1998 and 2000 through 2004 Idaho individual income tax returns, the taxpayer was sent a letter advising him of the missing returns and asking him for an explanation. The taxpayer answered the request for information by completing and returning a questionnaire that showed he was an Idaho resident who had never filed an Idaho individual income tax return. He promised to submit returns "ASAP."

[Redacted] 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.

Because the taxpayer did not file his state income tax returns, the Bureau prepared provisional returns on his behalf and sent him a deficiency notice. The taxpayer responded with a letter stating he would be filing itemized tax returns with deductions that would cover any tax owing.

The Bureau sent the taxpayer a letter to acknowledge his protest. He was allowed additional time. However, after another letter without a response from him, his file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. He did not answer a letter advising him of his right to submit additional information or request an informal conference.

The Idaho resident income tax returns the Bureau prepared on behalf of the taxpayer were based on income information [Redacted] and the records retained by the Tax Commission. Tax Commission records showed the taxpayer, who was self-employed, also worked for wages during the years at issue. No withholding was identified.

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). Having presented no information in support of his argument, 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).

The taxpayer has provided nothing that would dissuade the Tax Commission from accepting the Bureau's determination of Idaho income and Idaho income tax due for tax years 1998, 2000, 2001, 2002, and 2004. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated September 13, 2006, is hereby MODIFIED 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>
1998	\$ 590	\$ 148	\$ 320	\$ 1,058
2000	1,403	351	545	2,299
2001	1,579	395	492	2,466
2002	1,221	305	302	1,828
2004	2,531	633	341	<u>3,505</u>
			TOTAL DUE	<u>\$11,156</u>

Interest is computed through June 15, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this ____ day of _____, 2007, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.