

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19852
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On September 13, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 1998, 1999, and 2001 in the total amount of \$6,439.

The taxpayer filed a timely protest. He did not request a hearing or submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayer (who appeared to have received Idaho sourced income) had not filed Idaho individual income tax returns for the years 1998, 1999, 2001, 2003, and 2004. The bureau sent the taxpayer correspondence asking him for an explanation of why he had not filed Idaho returns. The taxpayer sent his 2003 and 2004 Idaho returns claiming refunds and a letter explaining his circumstances. He said he had contacted some of his former employers trying to obtain his W-2s. He explained he was married in 1998 and would contact his former wife for assistance in preparing the return for that year.

[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.

When the Bureau did not receive the returns for the years in question, it prepared Idaho returns on the taxpayer's behalf. The NODD amounts were based on Tax Commission records [Redacted].

The Bureau received a letter of protest from the taxpayer. He said he lost his records when the contents of his storage unit were seized for non-payment. This forced him to contact former employers for his information. He said he was having trouble getting his W-2s from the former employers. He expressed his belief that he should receive refunds from Idaho because he received refunds from the IRS. He promised to complete the Idaho returns as soon as he received W-2s.

The Bureau sent the taxpayer a letter acknowledging his timely protest and allowing him additional time to prepare and submit his returns. The Bureau located W-2s showing Idaho withholding for tax year 2001. The withholding was allowed to reduce the tax, penalty, and interest for that year. The taxpayer had received credit for \$43 of withholding for 1998; however, no additional withholding could be identified for 1998 and 1999.

When the Bureau did not receive the promised returns, the taxpayer's file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. He did not answer

a letter from the Tax Policy Specialist offering him the opportunity to appear for an informal conference or submit additional information.

The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

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). The taxpayer has failed to meet his burden of proving error on the part of the Notice of Deficiency Determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

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	\$ 767	\$192	\$409	\$1,368
1999	1,090	273	502	1,865
2001	954	239	289	<u>1,482</u>
			TOTAL	\$4,715

Interest is computed through May 1, 2007.

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

An explanation of the petitioner'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]

Receipt No.
