

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19865
[REDACTED],)	
)	DECISION
Petitioners.)	
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On September 27, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 2001 through 2004 in the total amount of \$23,559.

The taxpayers filed a timely protest. They did not submit additional information or request an informal conference. 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 taxpayers' 2001 through 2004 Idaho individual income tax returns, the taxpayers were sent a letter advising them of the missing returns and asking them for an explanation. The taxpayers did not respond.

[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 taxpayers did not file their state income tax returns, the Bureau computed Idaho individual income tax returns on the taxpayers' behalf and issued a NODD. The taxpayers' representative answered the notice with a letter stating that the income used to determine the tax amounts was based solely on gross income without deducting expenses, allowing exemptions for the children, and allowing the taxpayers to itemize their deductions. He asked for an additional 60 days to collect the information needed from the taxpayers and prepare the returns for filing.

The Bureau sent the taxpayers' representative a letter to acknowledge the protest and allow the requested additional time. At the end of the 60-day delay, no returns were submitted. The taxpayers' file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. A letter was sent advising the taxpayers of their appeal rights and options followed by a telephone call to the taxpayers' representative.

The representative said the taxpayers had not provided him with the information necessary for the preparation of their income tax returns. He said he would contact the taxpayers in an attempt to secure the necessary documents. Subsequently, an associate in the representatives' office called the Tax Policy Specialist to advise that the taxpayers would have the information to the representative no later than July 16, 2007.

The associate promised to telephone the Tax Policy Specialist by July 16, 2007, to provide a projected date the taxpayers' Idaho income tax returns for the years at issue would be delivered to the Tax Commission. The Tax Commission did not receive the promised call or have further contact from the taxpayers or their representative. The missing returns have not been submitted for filing.

The Idaho resident income tax returns the Bureau prepared on behalf of the taxpayers were based on information gleaned from the taxpayer's federal income records and the records retained by the Tax Commission. The records show the taxpayers were active in a business [Redacted] during the years 2001 through 2004.

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 their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided nothing that would dissuade the Tax Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for tax years 2001 through 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 27, 2006, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$3,751	\$ 938	\$1,225	\$ 5,914
2002	3,971	993	1,042	6,006
2003	4,234	1,059	887	6,180
2004	4,500	1,125	673	<u>6,298</u>
			TOTAL DUE	\$24,398

Interest is computed through September 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 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.
