

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 19875
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On October 2, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued Notices of Deficiency Determination (NODD) [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 1994 through 2004 in the total amount of \$286,012.

The taxpayer filed a timely protest. An informal conference was held on March 7, 2007. 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 [Redacted] had never filed Idaho individual income tax returns. The bureau sent the taxpayer correspondence asking him for an explanation of why he had not filed Idaho returns for the years 1994 through 2004. The taxpayer gave several reasons why he had not filed and promised to file the missing returns. No returns were received.

[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.

The Bureau prepared Idaho returns on behalf of the taxpayer for the years in question. The NODD amounts were based on Tax Commission records and the income records received from the IRS. The records showed that, throughout the years, the taxpayer has been owner/operator of several businesses in Idaho. [Redacted].

The Bureau received a letter of protest from the taxpayer stating he would be hiring an accountant to help with “these matters.” He said he does not disagree that he owes taxes but felt the amounts listed were extremely high. He listed a number of events that happened in his life over the years that caused his income tax returns not to be filed. He said he was just trying to get by year after year. In that letter received on November 30, 2006, he said he would begin by filing returns for years 2004 and 2005 “within the next 30-45 days” and then work backwards on the rest of the missing returns.

The Bureau sent the taxpayer a letter acknowledging his timely protest and allowing him additional time to have his returns prepared and submitted. When the Bureau did not receive the promised returns, his file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review.

During the March 7, 2007, conference the taxpayer again explained the difficulties he has had in his life that have prevented him from filing individual income tax returns. He said he would hire an accountant the next day. He was asked to provide an executed Power of Attorney form that would allow the Tax Commission to speak directly with his accountant. He was also asked to arrange for his accountant to telephone the Tax Policy Specialist to discuss a schedule for the preparation and filing of the missing returns. The Tax Commission has had no further contact with

the taxpayer, and no accountant has contacted the Tax Commission on behalf of the taxpayer.

The Tax Commission has received nothing that would suggest the NODDs prepared by the Bureau are in error. 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 deficiency determinations. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notices of Deficiency Determination dated October 2, 2006, are hereby 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>
1994	\$13,813	\$3,453	\$11,980	\$ 29,246
1995	17,505	4,376	13,657	35,538
1996	19,513	4,878	13,606	37,997
1997	17,547	4,387	10,707	32,641
1998	19,800	4,950	10,555	35,305
1999	17,254	4,314	7,940	29,508
2000	34,657	8,664	13,177	56,498
2001	1,201	300	364	1,865
2002	6,309	1,577	1,507	9,393
2003	7,658	1,915	1,424	10,997
2004	8,296	2,074	1,044	<u>11,414</u>
			TOTAL	\$290,402

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

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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.

[REDACTED]