

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19933
[REDACTED],)	
)	DECISION
Petitioner.)	
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)	

On November 8, 2006, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioner) proposing income tax, penalty, and interest for the taxable years 1997, 1998, 1999, and 2000 in the total amount of \$22,803.

A timely protest and petition for redetermination was filed by the petitioner. The petitioner did not request an informal hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The petitioner failed to file his 1997, 1998, 1999, and 2000 individual income tax returns. The TDB sent a letter to the petitioner notifying him of the missing returns. The petitioner did not respond to this letter. I [Redacted]. The Commission issued an NOD to the petitioner on November 8, 2006, [Redacted].

In the petitioner's protest letter received on January 10, 2007, the petitioner stated:

First I apologize for not having responded sooner. Due to my travel schedule I have just recently received the above referenced Notice of Deficiency Determination.

As per my conversation with you the tax due as shown on the deficiency determination is significantly overstated for a number of reasons:

1. Misstatement of full year residency tax year 2000
2. Understatement of Personal Exemptions
3. Understatement of applicable deductions

I would request a 30 to 60 day extension of time to prepare and complete returns for Tax Years:

- ✓ 1997
- ✓ 1998
- ✓ 1999
- ✓ 2000

The Tax Enforcement Specialist (TES) sent the petitioner a letter dated January 11, 2007, which requested he send his 1997 through 2000 Idaho individual income tax returns by March 5, 2007.

In the petitioner's letter received by fax on March 5, 2007, the petitioner stated:

In the ensuing 60 days I have been able to gather most of the underlying data relative to the tax years in question with the exception of the deductibles relative to the 2000 tax year. The year in which I moved from the state of Idaho. I am continuing to gather this information as rapidly as I can. Please see the table below which provides a recap of the information that I have been able to gather to date.

Tax Year	Taxable Income	Taxable Income Attributable to the State of Idaho	Allowable Deductions and Exemptions	Net Taxable Income State of Idaho	Idaho State Tax Paid
1997	\$70,064	\$70,064	\$22,231	\$47,833	\$3,213
1998	\$72,710	\$72,710	\$26,735	\$45,975	\$3,478
1999	\$70,238	\$70,238	\$28,878	\$41,360	\$3,953
2000	\$101,522	\$23,116	?	?	\$1,943

The process of gathering this data now nine years old has taken far longer than I anticipated. Unfortunately due to my current financial constraints I am not able to seek professional aid in assembling the actual returns, a process I have yet to begin.

I apologize in advance that my original estimate of the time required did not anticipate the level of difficulty I encountered in trying to re-assemble all of the necessary data. With most of the needed data in hand I would request an additional 30 days to complete this process in an accurate and fair manner.

On March 6, 2007, the TES sent the petitioner a letter that stated she had reviewed the

information he recently submitted for tax years 1997 - 2000. The TES stated that she was granting the petitioner additional time until April 16, 2007, to provide his returns.

On May 15, 2007, the Tax Policy Specialist (policy specialist) sent the petitioner a letter to inform him of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioner on July 10, 2007.

On August 6, 2007, the policy specialist received a letter from the petitioner in which the petitioner stated that he was unable to find the time or resources to complete his returns.

On September 27, 2007, the policy specialist sent the petitioner a letter that requested he provide copies of the information he gathered to support his recap of deductions and exemptions claimed in his letter received by fax on March 5, 2007. The petitioner did not respond to this letter.

It is well settled in Idaho that an NOD issued by the Idaho State Tax Commission is presumed to be correct. Albertson's Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814 (1984); Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986). The burden is on the petitioner to show that the tax deficiency is erroneous. Id. Since the petitioner has failed to meet the burden in this case, the Commission finds that the amount shown due on the Notice of Deficiency Determination is true and correct.

[Redacted] The petitioner has not provided the Commission with a contrary result to the determination of his income [Redacted]. Therefore, the Commission must uphold the deficiency.

WHEREFORE, the Notice of Deficiency Determination dated November 8, 2006, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$4,292	\$1,073	\$3,123	\$ 8,488
1998	1,826	457	1,188	3,471
1999	1,028	257	593	1,878
2000	6,175	1,544	3,072	<u>10,791</u>
			TOTAL DUE	<u>\$24,628</u>

Interest is computed through December 31, 2008, and will continue to accrue at the rate set forth in Idaho Code section 63-3045(6) until paid.

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 enclosed.

DATED this _____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2008, 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.
