

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20293
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On April 10, 2007, 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 tax year 2005 in the amount of \$42,508.

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' 2005 Idaho individual income tax return, the taxpayers were sent a letter advising them of the missing return and asking them for an explanation. The taxpayers responded by filling out and returning a Tax Discovery Bureau Questionnaire. They said they [Redacted] had a second home in Idaho during 2005. Under the employer section of the form, the taxpayers indicated [Redacted] was self-employed and [Redacted] worked seasonal part-time in Idaho.

[Redacted]. Those records and Tax Commission records showing the taxpayers owned and operated at least three Idaho businesses suggested the taxpayers had a requirement to file a 2005 Idaho individual income tax return.

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 2005 Idaho income tax return, the Bureau computed an Idaho tax return on the taxpayers' behalf and issued a NODD. The taxpayers' responded by letter stating they had engaged the services of an accountant to "prepare tax returns for all entities which we had/have interest in conducting business in the State of Idaho. We anticipate those returns being completed in the next several weeks as they have been delayed for various reasons."

The Bureau sent the taxpayers a letter to acknowledge their protest and allow the requested additional time. When no returns were submitted at the conclusion of the requested stay, 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. The taxpayers did not respond.

[Redacted] The records show the taxpayers were active in the following Idaho businesses: [Redacted].

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 individual income tax due for 2005. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated April 10, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest for tax year 2005:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$32,072	\$8,018	\$3,708	\$43,798

Interest is computed through January 15, 2008.

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

An explanation of the petitioners' right to appeal this decision is enclosed with this decision.

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.
