

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 20313
[REDACTED],	)	
	)	DECISION
Petitioners.	)	
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On April 18, 2007, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioners) proposing income tax, penalty, and interest for the taxable years 1999, 2002, and 2003 in the total amount of \$6,146.

A timely protest and petition for redetermination was filed by the petitioners. An informal hearing has not been requested by the petitioners. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NOD.

The petitioners failed to file their 1999, 2002, and 2003 individual income tax returns. On March 7, 2007, the TDB sent a letter with a questionnaire to the petitioners to help the Commission properly determine the petitioners' filing requirement. The petitioners did not respond to this letter. I[Redacted]. The Commission issued an NOD to the petitioners on April 18, 2007, [Redacted].

In the petitioners' protest letter postmarked February 12, 2007, [Redacted]stated:

I am writing this letter with regards to your deficiency determination for tax years 12/31/99, 12/31/02 & 12/31/03. As per our conversation on 06/19/2007 I related to you that I did not live in the state of Idaho for tax year 1999, & that to the best of my knowledge I did file returns for 2002 & 2003.

As we discussed I will try to produce proof of these facts.

The TDB sent the petitioners a letter dated June 22, 2007, which requested they send their 2002 and 2003 Idaho individual income tax returns along with documentation from tax year 1999

that showed they were working in another state. The TDB requested the information be submitted by July 31, 2007. If the petitioners' issues could not be resolved in the TDB, their file would be transferred to the Commission's Legal/Tax Policy division for further review.

In a letter from the petitioners received by fax on September 8, 2007, [Redacted] stated in part:

Attached are the copies of my 1999 W2 forms showing my place of residence. I will send my 2002 & 2003 tax returns as soon as I locate them.

On September 18, 2007, the TDB reviewed the information submitted by the petitioners for tax year 1999 and determined that the NOD dated April 18, 2007, should be cancelled for tax year 1999 only. The petitioners' 1999 individual income tax return will not be addressed any further in this decision.

On October 25, 2007, the Tax Policy Specialist (policy specialist) sent the petitioners a letter to inform them of the alternatives for redetermining a protested NOD.

On December 4, 2007, the policy specialist received a letter [Redacted] in which he stated that he did not want a hearing but did wish to submit additional documents. [Redacted] stated that he should be able to provide these documents no later than March 1, 2008.

The policy specialist sent the petitioners a letter on March 10, 2008, in which he stated:

On October 25, 2007, we sent you a letter in response to your letter of protest dated June 20, 2007, regarding the above matter. On December 4, 2007, we received your letter in which you stated that you wish to submit additional documents no later than March 01, 2008.

As of the date of this letter, we have not received your additional documents which you were to provide by March 1, 2008. We will hold this matter for another ten (10) days awaiting your documents. If, at the end of that time, we have not received these documents or heard from you, the Commission may issue a decision based upon the information in our files.

[Redacted] called the policy specialist on March 17, 2008, and stated they would have their returns done by the end of March. [Redacted] called on March 24, 2008, and requested additional time. As of the date of this decision, the petitioners have not provided returns or documents for tax years 2002 and 2003.

It is well settled in Idaho that a 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 petitioners to show that the tax deficiency is erroneous. Id. Since the petitioners have 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 petitioners have not provided the Commission with a contrary result to the determination of their income [Redacted] Therefore, the Commission must uphold the deficiency as modified.

WHEREFORE, the Notice of Deficiency Determination dated April 18, 2007, as MODIFIED, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$1,294	\$324	\$464	\$2,082
2003	1,937	484	591	<u>3,012</u>
			TOTAL DUE	<u>\$5,094</u>

Interest is computed through January 16, 2009, 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 petitioners' 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.  
\_\_\_\_\_