

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20347
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On May 9, 2007, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers) proposing income tax, penalty, and interest for tax years 2003 through 2005 in the total amount of \$50,937.

The taxpayers filed a timely protest. They did not request an informal conference but did submit additional information. 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 that the taxpayers' 2003 through 2005 Idaho individual income tax returns were filed, 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.

The Bureau computed Idaho tax returns on the taxpayers' behalf and issued a NODD. The taxpayers' responded with a letter signed [Redacted] stating she had completed their 2003 return and forwarded it to their accountant. She said the return would be submitted for filing as soon as they received it back from the accountant. She said she is working towards completing the 2004 return by October 2007 and the 2005 return by April 2008.

The Bureau sent the taxpayers a letter to acknowledge their protest. On July 23, 2007, the Tax Commission received the taxpayers' 2003 Idaho individual income tax return. That return was accepted as filed subject to review at a later date as provided by Idaho Code. The taxpayers' 2003 Idaho return will not be discussed further in this decision.

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.

The Idaho resident income tax returns the Bureau prepared on behalf of the taxpayers were computed based on information gleaned from the taxpayers' federal income records and the records retained by the Tax Commission. The records show the taxpayers were active in an Idaho business [Redacted] during the years at issue.

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 2004 and 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 May 9, 2007, is hereby MODIFIED and, as so modified, is 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>
2004	\$10,993	\$2,748	\$1,967	\$15,708
2005	14,445	3,611	1,718	<u>19,774</u>
			TOTAL DUE	\$35,482

Interest is computed through January 31, 2008.

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

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

DATED this ____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this ____ day of _____, 2008, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]
[Redacted]
[Redacted]

Receipt No.
