

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

In the Matter of the Protest of	)	
	)	DOCKET NO. 20350
[REDACTED],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On January 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 2001, 2002, 2003, and 2004 in the total amount of \$2,819.

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 2001, 2002, 2003, and 2004 individual income tax returns. On October 27, 2006, the TDB sent a letter with a questionnaire to the petitioners to help the Commission properly determine the petitioners' filing requirement. [Redacted]

In the petitioners' protest letter received via fax on March 22, 2007, [Redacted] stated that he was not aware that the Commission had not received their returns. [Redacted] also stated that he would send tax returns for years 2001, 2002, and the other years as soon as he could get them printed.

The TDB sent the petitioners a letter dated March 23, 2007, which requested they send their 2001 through 2004 Idaho individual income tax returns by May 1, 2007. The petitioners did not respond to this letter.

On May 1, 2007, the TDB received the petitioners' 2001 and 2003 income tax returns. The petitioners' federal individual income tax return for tax year 2002 was also received.

A letter dated May 3, 2007, was sent to the petitioners that canceled the NOD dated January 18, 2007 for tax years 2001 and 2003 only. The NOD for tax year 2002 was adjusted to include itemized deductions and the correct number of exemptions. A copy of the adjusted NOD for tax year 2002 was included with the letter.

The petitioners failed to provide their 2002 and 2004 Idaho individual income tax returns after repeated requests were made. The petitioners' file was transferred to the Commission's Legal/Tax Policy division for further review.

On July 18, 2007, the Tax Policy Specialist (policy specialist) sent the petitioners a letter to inform them of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioners on September 10, 2007. The petitioners did not respond to either letter.

The petitioners have not provided the Commission with information to establish that the amounts asserted in the NOD, as adjusted, are incorrect. As a result, the Commission will uphold the NOD, as adjusted. A determination of the State Tax Commission is presumed to be correct. *Albertson's, Inc. v. State, Dept. of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The burden is on the petitioners to show that the deficiency is erroneous. *Parsons v. Idaho State Tax Commission*, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986).

[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 January 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	\$ 277	\$ 69	\$ 92	\$ 438
2004	1,051	263	229	<u>1,543</u>
			TOTAL DUE	<u>\$1,981</u>

Interest is computed through August 21, 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.

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.

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