

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20785
[REDACTED],)	
)	DECISION
Petitioners.)	
_____)	

On September 27, 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 taxable years 2003 and 2004 in the total amount of \$8,536.

The taxpayers filed a timely appeal. They did not request a hearing. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records show the taxpayers are Idaho residents who appear to meet the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayers for an explanation of why their 2003 and 2004 Idaho income tax returns had not been filed, but they did not respond to the inquiries.

[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 prepared the missing Idaho returns on behalf of the taxpayers and sent them an NODD. The NODD was based on information obtained from [Redacted] and those records retained by the Tax Commission.

The taxpayers protested the Bureau's determination. No specific reason was given for the appeal of the NODD, nor did the taxpayers give a timeline as to when the returns would be completed. The protest was acknowledged, and a January 7, 2008, due date was given to the taxpayers for completion of the returns. On January 7, 2008, the bureau received copies of the taxpayers' federal income returns, but no Idaho individual returns.

A subsequent request for returns was made by the Bureau, but to date, no returns have been received. When the taxpayers did not deliver the returns to the Tax Commission after the allowed time, their file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to a letter advising them of their appeal rights. A follow-up letter was also sent by the policy specialist with no response.

The Bureau computed the taxpayers' Idaho income tax responsibility using the same filing status of married, filing joint, with two exemptions as shown in [Redacted]. No withholding was identified. The interest and penalty added by the Bureau pursuant to Idaho Code §§ 63-3045 and 63-3046 were reviewed and found to be proper and in accordance with Idaho Code.

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). The burden is on the taxpayer to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of

Revenue, 106 Idaho 810 (1984).

The taxpayers failed to file their 2003 and 2004 Idaho individual income tax returns. Absent information to the contrary, the Tax Commission accepts the Bureau's calculation of Idaho income tax, penalty, and interest for those years.

WHEREFORE, the Notice of Deficiency Determination dated September 27, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

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

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$2,022	\$506	\$601	\$3,129
2004	3,913	978	927	<u>5,818</u>
			TOTAL DUE	<u>\$8,947</u>

Interest is calculated through November 30, 2008.

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

An explanation of the taxpayers' 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.
