

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21091
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On February 11, 2008, 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 1998 through 2004 in the total amount of \$10,673.

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 were Idaho residents who appeared to meet the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayers for an explanation of why their 1998 through 2004 Idaho individual 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. [Redacted].

The taxpayers protested the Bureau's determination. In their protest, the taxpayers did not dispute the fact that they had a filing requirement, but requested additional time to complete returns. They also stated the NODD contained errors and that they were not allowed deductions for business expenses, medical costs, and other deductions they were entitled to.

The taxpayers were allowed additional time. 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 Tax Policy Specialist with no response.

The Idaho resident individual income tax returns the Bureau prepared on behalf of the taxpayers were based on income information gleaned from [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). The burden is on the taxpayers to show the deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers failed to file their 2000 through 2004 Idaho individual income tax returns. 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. 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 February 11, 2008, 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>
1998	\$2,024	\$506	\$1,315	\$ 3,845
1999	1,127	282	650	2,059
2000	681	170	338	1,189
2001	954	239	401	1,594
2002	875	219	311	1,405
2003	536	134	162	832
2004	34	10	8	52
			TOTAL DUE	<u>\$10,976</u>

Interest is calculated through January 1, 2009.

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.