

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20573
[Redacted])	
Petitioner.)	DECISION
)	
)	
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On July 19, 2007, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing additional income tax, penalty, and interest for the taxable year 2004 in the total amount of \$2,510.

On September 19, 2007, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has provided nothing further for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The taxpayer timely filed his 2004 Idaho individual income tax return. The Tax Commission received information [Redacted] that a change was made to the taxpayer's 2004 [Redacted] income tax return. The information showed that the taxpayer did not report all of his income. The Tax Discovery Bureau (Bureau) reviewed the taxpayer's Idaho return and determined the same income was omitted on his Idaho return. The Bureau adjusted the taxpayer's Idaho return and sent him a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination stating that the unreported income was reported to the federal government in error. He also stated that he did not reside in Idaho from July 2004 to May 2007, he lived in Florida. Therefore, the taxpayer asserted that no additional tax is owed to Idaho.

The Bureau acknowledged the taxpayer's protest and attempted further correspondence with the taxpayer. The taxpayer did not respond to any of the Bureau's letters, so the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayer did not respond. The Tax Commission sent a follow-up letter to the taxpayer but still received no response from the taxpayer. Therefore, the Tax Commission decided the matter based upon the information available.

The taxpayer filed an Idaho resident Form 40 with the Tax Commission for 2004. The Tax Commission received information [Redacted] that showed the [Redacted] changed the taxpayer's [Redacted] income tax return for income that was not reported by the taxpayer. Since the taxpayer filed an Idaho resident income tax return, the Bureau made corresponding changes to the taxpayer's Idaho income tax return. See Idaho Code section 63-3002.

The taxpayer stated the additional income reported [Redacted] was an error. He further stated that he did not live in Idaho after July 2004. He stated [Redacted] no additional tax was owed to Idaho.

The additional income reported as being received by the taxpayer was [Redacted]. [Redacted] reported the taxpayer received wages and nonemployee compensation in 2004. The taxpayer stated this was an error [Redacted]; however, it is very unlikely that a half a billion dollar company would err in sending out both a W-2 Wage and Tax Statement and a 1099 Nonemployee Compensation form for the same individual.

The taxpayer also stated that he lived [Redacted] beginning in August 2004. However, he did not provide anything to support this statement. To the contrary, the Tax Commission has

information [Redacted] that shows the taxpayer was employed the full year and his wages were reported as Idaho wages.

In Idaho, a State Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). Other than his unsupported statements, the taxpayer has provided nothing to show the Bureau's deficiency determination is incorrect. He has not met his burden of proof. Therefore, the Tax Commission upholds the Bureau's adjustments to the taxpayer's taxable income.

However, in its determination of the taxpayer's Idaho tax liability, the Bureau neglected to credit the taxpayer for additional withholdings he had on the wages omitted from his return. Therefore, the Tax Commission included the additional withholdings and modified the taxpayer's tax deficiency.

The Bureau added interest and penalty to the taxpayer's tax liability. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046, respectively.

WHEREFORE, the Notice of Deficiency Determination dated July 19, 2007, is hereby MODIFIED, in accordance with the provisions of this decision and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest (computed to January 9, 2010):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$1,965	\$ 98	\$578	\$2,641

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

An explanation of the petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2009.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2009, 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.
