

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21171
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

[Redacted] (taxpayer) protested the Notice of Deficiency Determination issued by the Tax Discovery Bureau of the Idaho State Tax Commission dated March 28, 2008. The Notice of Deficiency Determination asserted Idaho income tax, penalty, and interest for the taxable years 2005 and 2006 in the total amount of \$3,951.

As part of the Tax Commission’s tax enforcement activities, the Tax Discovery Bureau (Bureau) cross checked information [Redacted] with the Tax Commission’s records. From this review, the Bureau found that the taxpayer received wages for work done in Idaho in 2005 and 2006, but he failed to file Idaho individual income tax returns. After not receiving a response from the taxpayer regarding his requirement to file Idaho income tax returns, the Bureau determined the taxpayer was required to file income tax returns, so it prepared returns for the taxpayer and sent him a Notice of Deficiency Determination.

In a letter sent to the Tax Commission’s Coeur d’Alene office, the taxpayer stated he would provide the Bureau with income tax returns as soon as he received them from his tax preparer. The Bureau allowed the taxpayer additional time to provide the returns but, after several months had passed and nothing was received, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The

taxpayer did not respond to the Tax Commission's letter, nor did he respond to the follow-up letter. Therefore, the Tax Commission decided the matter based upon the information available.

The [Redacted] reported that the taxpayer received wages for work done in Idaho for both 2005 and 2006. The amounts reported [Redacted] were well in excess of the filing requirement amount for the taxpayer as provided in Idaho Code section 63-3030. The taxpayer did not contest his requirement to file Idaho income tax returns; rather, he argued he was not allowed any deductions. Based upon the information available, the Tax Commission agrees with the Bureau and finds the taxpayer was required to file Idaho individual income tax returns.

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). The taxpayer failed to show he was entitled to any other deductions or that the Bureau's determination was incorrect. He did not meet his burden. The Tax Commission reviewed the returns prepared by the Bureau and found that they are a reasonable representation of the taxpayer's Idaho taxable income. Therefore, the Tax Commission upholds the Bureau's determination of the taxpayer's Idaho income tax liability.

The Bureau added interest and penalty to the taxpayer's Idaho 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 March 28, 2008, 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 May 31, 2009):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$1,113	\$ 278	\$ 227	\$1,618
2006	1,805	451	254	<u>2,510</u>
			TOTAL DUE	<u>\$4,128</u>

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.
