

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
)
 [Redacted]) DOCKET NO. 21569
)
 Petitioner.) DECISION
)
)
 _____)

On September 23, 2008, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for the taxable years 2000 through 2006 in the total amount of \$4,576.

On November 24, 2008, 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 consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau), through a compilation of the information reported to the Tax Commission, found that the taxpayer may have had a filing requirement with the state of Idaho. The Bureau reviewed the Tax Commission's records and found that the taxpayer did not file Idaho individual income tax returns for the taxable years 2000 through 2006. The Bureau sent the taxpayer a letter asking about her requirement to file Idaho income tax returns. The taxpayer did not respond. The Bureau obtained additional information [Redacted] and determined the taxpayer was required to file Idaho income tax returns. The Bureau prepared returns for the taxpayer and sent her a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination. She stated that the Bureau's information was incorrect and that the Bureau did not allow for her withholdings. As evidence

of her statements, the taxpayer provided copies of two of her W-2 Wage and Tax statements. The taxpayer stated she was aware of her responsibility to file Idaho income tax returns. She stated she would complete and submit them to the Tax Commission as soon as possible.

The Bureau acknowledged the taxpayer's protest and allowed her additional time to provide the missing returns. The taxpayer failed to provide any further information or the required income tax returns. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter discussing the methods available for redetermining a Notice of Deficiency Determination. The taxpayer did not respond. The Tax Commission sent a follow-up letter to the taxpayer, but still the taxpayer failed to respond. Therefore, the Tax Commission issues its decision based upon the information available.

The taxpayer stated she was required to file Idaho income tax returns for the years in question. Yet given ample time to file her returns, the taxpayer failed to produce any. In Idaho, it is well established that a State Tax Commission notice of deficiency is presumed to be correct, and the taxpayer bears the burden of showing 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); Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The Bureau used information obtained from the [Redacted] to determine the taxpayer's taxable income. The taxpayer provided only two documents to show the Bureau's determination was incorrect. However, neither of them proved that the determination of the taxpayer's taxable income was incorrect. The only new information the taxpayer's documents provided was withholding information for 2003 that was not previously available. Otherwise, the taxpayer did not meet her burden of showing that the Bureau's determination was in error.

Since the taxpayer failed to show error in the Bureau’s determination of her Idaho taxable income, she did not meet her burden of proof. However, as previously stated, the taxpayer did provide information not available to the Bureau when it prepared returns for the taxpayer. The Tax Commission reviewed the returns prepared by the Bureau and the information provided by the taxpayer. The Tax Commission found the Bureau’s determination of the taxpayer’s taxable income was reasonable based upon the information available and that the taxpayer’s Idaho tax liability should be reduced by the withholdings documented by the taxpayer. Therefore, the Tax Commission upholds the Bureau’s determination less the documented withholdings.

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

WHEREFORE, the Notice of Deficiency Determination dated September 23, 2008, 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 31, 2010):

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$ 309	\$ 77	\$170	\$ 556
2001	270	68	128	466
2002	193	48	79	320
2003	153	38	55	246
2004	148	37	44	229
2005	240	60	57	357
2006	986	247	172	<u>1,405</u>
			TOTAL DUE	<u>\$3,579</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.