

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 21611
[Redacted]	)	
Petitioners.	)	DECISION
	)	
	)	
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On November 10, 2008, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] ([Redacted]) (taxpayers) proposing income tax, penalty, and interest for taxable years 2004, 2005, and 2006 in the total amount of \$553.

In response to the determination, the taxpayers submitted part-year Idaho individual income tax returns for taxable years 2004 through 2006. The returns were received on December 4, 2008. The returns were reviewed by the Bureau and compared to income records available to the Commission. The Bureau determined the taxpayers omitted income on their 2005 and 2006 returns and the 2004 return had several calculation errors. On January 7, 2009, the taxpayers were sent a letter explaining the errors and needed corrections on each return and given a date of January 30, 2009, to respond. No further information was received. The Commission, having reviewed the file, hereby issues its decision.

The taxpayers failed to file their 2004 through 2006 individual income tax returns. Because Commission records show the taxpayers met the state income tax filing requirements and had not filed their Idaho returns for taxable years 2004 through 2006, the Bureau attempted to contact them for clarification. The taxpayers responded to the Forgot to File Questionnaire, at first stating they were unsure whether they were required to file, and on a second form, requested forms

and instructions. The second questionnaire returned by the taxpayers also contained a statement from the taxpayers saying that they did not live in Idaho, but did work in Idaho.

[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 taxpayers provided returns, but they were not accepted due to calculation errors and omitted income. The taxpayers were informed of the errors and of the fact that, when corrected, the returns matched the NODD prepared by the Bureau. The taxpayers were given the opportunity to either accept the NODD or provide corrected returns, but when no response was received, their file was transferred to the Legal/Tax Policy Division for administrative review.

The taxpayers did not respond to a letter from the tax policy specialist that outlined their appeal rights. A follow-up letter was sent, also with no response.

[Redacted]. [Redacted].

[Redacted]. The taxpayers' withholding of \$51, \$46, and \$127 for taxable years 2004 through 2006, respectively, was allowed to offset a portion of the Idaho income tax due. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for taxable years 2004 through 2006.

WHEREFORE, the Notice of Deficiency Determination dated November 10, 2008, is hereby APPROVED, AFFIRMED, and MADE FINAL.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$129	\$32	\$39	\$200
2005	115	29	21	144
2006	142	36	26	204
			TOTAL DUE	\$548

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 \_\_\_\_\_ 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.

\_\_\_\_\_