

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21615
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On April 22, 2008, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 1998 through 2002 and taxable year 2004 in the total amount of \$16,800.

The taxpayer protested the determination. He did not request a hearing or submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based on information contained in the file.

Information available to the Tax Commission indicated the taxpayer was an Idaho resident who met the individual income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why his 1998 through 2002 and 2004 Idaho individual income tax returns had not been filed, but he did not respond to the inquiries.

[Redacted]. The Bureau determined the taxpayer's income required him to file Idaho individual income tax returns for all of the years at issue.

Idaho Code § 63-3045 (1)(a) states:

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.

Because the Tax Commission's files did not include the taxpayer's Idaho individual income tax returns for the aforementioned years, the Bureau prepared the returns on the taxpayer's behalf and issued an NODD. The NODD was based on the information received from [Redacted] those records retained by the Tax Commission.

The taxpayer appealed the determination and his file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayer did not respond to a letter from the tax policy specialist that outlined his appeal rights. A follow-up letter was also sent with no response.

In the protest letter sent by the taxpayer, he simply stated he needed more time to locate documents. The Bureau acknowledged the protest on June 23, 2008, and gave the taxpayer until August 4, 2008, to locate documentation and submit returns.

On October 16, 2008, a revised NODD, that allowed previously non-identified withholding for 1999 and 2000, was sent to the taxpayer along with a letter granting the taxpayer additional time, until November 17, 2008, to respond. To date, no returns have been received and there has been no response from the taxpayer.

Withholding in the amount of \$1,898 for 1998; \$1,884 for 2001; \$891 for 2002; and \$1,235 for 2004 was identified and reduced each year's tax due amount. Withholding information for taxable years 1999 and 2000 could not be identified. The Bureau used a formula to estimate a reasonable amount of withholding for those years. Withholding in the amounts of \$1,232 and \$1,365 for taxable year 1999 and taxable year 2000, respectively, was allowed to

offset a portion of each year's tax due. The formula was based on known withholding amounts from W-2s issued in taxable years 1998, and 2001 through 2004.

Interest and penalty were added pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho Code.

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 taxpayer has failed to file Idaho individual income tax returns for the years in question. Absent information to the contrary, the Tax Commission accepts the Bureau's calculation of Idaho income tax, penalty, and interest for taxable years 1998 through 2002 and taxable year 2004.

WHEREFORE, the Notice of Deficiency Determination dated April 22, 2008, is hereby MODIFIED and as modified, 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	\$ 323	\$ 81	\$219	\$ 623
1999	1,060	265	640	1,965
2000	1,474	369	772	2,615
2001	84	21	38	143
2002	1,496	374	572	2,442
2004	3,262	816	880	<u>4,958</u>
			TOTAL DUE	<u>\$12,746</u>

Interest is calculated through July 15, 2009.

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

An explanation of the taxpayer'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.
