

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
[Redacted],) DOCKET NO. 21450
)
)
Petitioners.) DECISION
)
_____)

On July 31, 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 taxable years 2002 through 2006 in the total amount of \$3,619.

On October 2, 2008, the taxpayer filed a timely appeal and petition for redetermination. After discussing his options and his intentions, the taxpayer decided he would submit income tax returns for the Tax Commission's consideration. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information [Redacted] that showed the taxpayer received Idaho wages in 2002, 2003, 2004, 2005, and 2006. The Bureau researched the Tax Commission's records and found the taxpayer failed to file Idaho individual income tax returns for those years. The Bureau sent the taxpayer letters asking him about his requirement to file Idaho income tax returns for taxable years 2002 through 2006. 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 from the information available and sent the taxpayer a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination. He stated he would prepare and file the returns for the years in question. The taxpayer requested additional time to prepare his

returns since he [Redacted] and has been working over 70 hours per week. The Bureau acknowledged the taxpayer's protest and allowed him additional time to submit his income tax returns. However, after several months of receiving no returns and little to no contact from the taxpayer, 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 contacted the Tax Commission and requested a telephone hearing, but upon later discussion, he decided that a hearing would not be necessary if he provided the needed income tax returns. The taxpayer requested that the Tax Commission send him all the income information it had on him for the years in question. The Tax Commission provided the information and allowed the taxpayer additional time to prepare his income tax returns.

Several months passed with the taxpayer not providing any income tax returns. The Tax Commission contacted the taxpayer again and asked for the returns. The taxpayer asked for more time and for the information the Tax Commission previously sent him. The Tax Commission agreed to the additional time and sent the information to a new address provided by the taxpayer. Once again, a significant amount of time passed, yet still no returns were submitted. Believing the taxpayer had more than adequate time to prepare and submit his income tax returns, the Tax Commission decided the matter based upon the information available.

The taxpayer acknowledged he had an obligation to file Idaho individual income tax returns. The taxpayer's sources of income were determined from W-2 Wage and Tax Statements filed [Redacted] and from information filed [Redacted]. As for any deductions, the burden rests on the taxpayer to disclose his receipts and to claim his proper deductions. United States v.

Ballard, 535 F.2d 400 (1976). If a taxpayer is unable to provide adequate proof of any material fact upon which a deduction depends, no deduction is allowed and that taxpayer must bear his misfortune. Burnet v. Houston, 283 U.S. 223, 51 S.Ct. 413 (1931).

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 has not met his burden. Therefore, the Tax Commission upholds the Bureau's determination of the taxpayer's taxable income for taxable years 2002 through 2006.

The Bureau added interest and penalty to the taxpayer's tax deficiency. 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 31, 2008, is hereby 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>
2002	\$ 190	\$ 48	\$ 84	\$ 322
2003	56	14	22	92
2004	205	51	68	324
2005	502	126	136	764
2006	1,638	410	340	<u>2,388</u>
			TOTAL DUE	<u>\$3,890</u>

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 _____ 2010.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2010, 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.