

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 21463
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On August 13, 2008, the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing income tax, penalty, and interest for taxable years 2004 and 2005 in the total amount of \$4,087.

On October 1, 2008, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not dispute they had a requirement to file Idaho income tax returns but disagreed with the NODD computations. The taxpayers requested additional time in which to file actual returns that would better determine the accurate amount they owed to the Idaho State Tax Commission.

The Bureau acknowledged the appeal and granted the taxpayers an extension of time, until November 21, 2008, to provide returns. Two additional extensions of time were granted by the Bureau, but when returns did not arrive as promised, the file was transferred to the Legal/Tax Policy section for continuation of the appeal process.

On August 24, 2009, the taxpayers responded to a letter advising them of their appeal rights. They stated the returns were being prepared and should be ready to be picked up from their accountant on September 4, 2009, and would be submitted shortly thereafter. On November 5, 2009, the Commission received returns for taxable years 2004 and 2005. The 2005

return, however, was returned to the taxpayers because it did not include all income reported to the taxpayers.

A corrected return for taxable year 2005, which included the missing income, along with another version of the 2004 return were received by the Commission on April 20, 2010.

The Tax Commission reviewed the taxpayers' returns and found them to be a more accurate representation of the taxpayers' Idaho taxable income. Therefore, the Commission accepts the taxpayers' income tax returns, subject to the normal review process of the Tax Commission, in lieu of the 2004 and 2005 returns prepared by the Bureau.

Since these returns are delinquent, the Commission finds it appropriate to add interest and penalty. These additions are provided for in Idaho Code sections 63-3045 and 63-3046, respectively.

WHEREFORE, the Notice of Deficiency Determination dated August 13, 2008, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$1,490	\$373	\$486	\$2,349
2005	4	10	1	15
			PAYMENT	<u>(4)</u>
			TOTAL DUE	<u>\$2,360</u>

Interest is calculated through August 31, 2010.

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 _____ 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.