

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)
) DOCKET NO. 21980
[Redacted])
)
)
Petitioner.) DECISION
)
)
_____)

On December 5, 2008, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers) proposing income tax, penalty, and interest for taxable years 2003 through 2006 in the total amount of \$2,889.

On January 12, 2009, the taxpayers filed a timely appeal and petition for redetermination. The taxpayers did not request a hearing but stated that they would submit income tax returns for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information [Redacted] that showed [Redacted] received wages for employment in Idaho during the years 2003 through 2006. The Bureau researched the Tax Commission’s records and found that the taxpayers did not file Idaho individual income tax returns for those years. The Bureau sent the taxpayers a letter asking them about their requirement to file Idaho income tax returns. The taxpayers responded that they were required to file Idaho income tax returns and asked that the Bureau send them the forms and instructions for each year. The Bureau sent forms and instructions to the taxpayers and waited for the taxpayers to submit their returns. The tax returns never came. Therefore, the Bureau obtained additional information [Redacted], prepared Idaho individual income tax returns for the taxpayers, and sent them a Notice of Deficiency Determination.

The taxpayers protested the Bureau's determination. The taxpayers stated they owed Idaho income tax returns, but they did not believe they would owe very much tax for those years. The taxpayers again stated they would submit returns and again requested forms and instructions. The taxpayers stated that because of all their recent moves, the forms and instructions previously sent may not have been forwarded to them. The Bureau sent the taxpayers additional forms and instructions and allowed them additional time to provide their returns. The taxpayers failed to provide their returns, so the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent the taxpayers a letter discussing the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayers contacted the Tax Commission and stated they still planned on submitting returns. The taxpayers stated they had information for taxable years 2005, 2006, and 2007 but needed information [Redacted] for taxable years 2003 and 2004. The Tax Commission provided the taxpayers with the information they needed for taxable years 2003 and 2004 and allowed them additional time to submit their Idaho returns.

When the taxpayers failed to provide their returns, the Tax Commission sent them a letter specifying a final date to submit their returns. On that date, the taxpayers contacted the Tax Commission and asked for an additional fifteen days to provide their returns. The Tax Commission allowed the taxpayers the additional time, but even after significantly more time had passed, the taxpayers still failed to provide any returns. Therefore, the Tax Commission decided the matter based upon the information available.

The taxpayers do not dispute their requirement to file Idaho income tax returns for taxable years 2003 through 2006. Their dispute is that they believe that less tax or no tax is due the state of Idaho. However, the taxpayers failed to produce anything to support their belief.

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 taxpayers failed to meet their burden. The Tax Commission reviewed the returns the Bureau prepared and found that they are a reasonable representation of the taxpayers' taxable income based upon the information available. Therefore, the Tax Commission upholds the Bureau's determination of the taxpayers' taxable income for taxable years 2003 through 2006.

The Bureau added interest and penalty to the taxpayers' Idaho tax. 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 December 5, 2008, is hereby 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>
2003	\$420	\$105	\$169	\$ 694
2004	822	206	281	1,309
2005	545	136	153	834
2006	161	40	35	<u>236</u>
			TOTAL DUE	<u>\$ 3,073</u>

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.
