

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23414
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On March 16, 2010, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 2002 through 2004 and taxable years 2006 and 2007, in the total amount of \$8,263.

On May 18, 2010, the taxpayer filed a timely protest and provided information concerning taxable years 2002 and 2003. The Bureau reviewed the information submitted and determined the NODD for taxable years 2002 and 2003 should be cancelled. Those years will not be mentioned further in this decision. No information was submitted for taxable years 2004, 2006, and 2007. The Commission, having reviewed the file, hereby issues its decision modifying the NODD.

Commission records indicate the taxpayer appears to be an Idaho resident who meets the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why her 2004, 2006, and 2007 Idaho returns had not been filed, but she did not respond.

The Bureau prepared the missing Idaho returns on behalf of the taxpayer and sent her an NODD. The NODD was based on information obtained from [Redacted] and those records retained by the Commission.

The taxpayer protested the Bureau's determination. In her protest letter received May 18, 2010, the taxpayer stated that she worked in Idaho for a portion of 2004 but did not establish Idaho residency until 2005. She also stated that, for taxable years 2006 and 2007 she did not file income tax returns.

On May 18, 2010, the Bureau sent a letter to the taxpayer acknowledging the protest and, based on the information provided by the taxpayer, cancelling the NODD for taxable years 2002 and 2003. A date of June 22, 2010, was given to the taxpayer for completion of her 2004, 2005, and 2006 Idaho income tax returns.

When no returns were received, a subsequent letter, dated June 24, 2010, was sent by the Bureau requesting the returns be filed. The letter also gave the taxpayer the option to withdraw her appeal or request her file be transferred to the Legal/Tax Policy Division for further consideration. The taxpayer responded to the letter and requested her file be transferred to the Legal/Tax Policy Division.

The Commission sent the taxpayer a letter that explained the methods available for redetermining a Notice of Deficiency Determination. The taxpayer did not respond. The Commission sent a follow-up letter to the taxpayer but still received no response from her. Therefore, the Commission decided the matter based upon the information available.

The Bureau requested and received a transcript [Redacted]. [Redacted].

The Idaho resident individual income tax returns the Bureau prepared on behalf of the taxpayer were based on income information gleaned from the taxpayer's [Redacted] records retained by the Commission. The Bureau subsequently made two separate modifications to the original NODD. Taxable years 2002 and 2003 were cancelled, and the amount of tax due shown

for taxable year 2006 was reduced to allow the taxpayer credit for taxes withheld by her employer.

The Commission now, through its decision, further modifies the NODD prepared by the Bureau. With regard to taxable year 2004, based on statements provided by the taxpayer, which are supported by the Idaho Department of Labor report of wages, the Commission has changed the NODD to reflect the taxpayer as a part-year resident and, therefore, includes only income attributable to Idaho. The change results in no tax due for taxable year 2004; therefore the NODD for taxable year 2004 is hereby cancelled.

For taxable years 2006 and 2007, the Commission adjusts the NODD based on a review of the taxpayer's [Redacted] transcript, which shows the taxpayer as head of household with one dependent exemption.

The interest and penalty added by the Bureau pursuant to Idaho Code §§ 63-3045 and 63-3046 was reviewed and found to be proper and in accordance with Idaho Code.

WHEREFORE, the Notice of Deficiency Determination dated March 16, 2010, is hereby MODIFIED, and as modified, is 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>
2006	\$605	\$151	\$141	\$ 897
2007	373	93	61	<u>527</u>
			TOTAL DUE	<u><u>\$1,424</u></u>

Interest is calculated through April 30, 2011.

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.