

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23634
[Redacted],)	
)	
Petitioner.)	DECISION
_____)	

On October 14, 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 2006 and 2008 in the total amount of \$2,888.

On December 13, 2010, the taxpayer filed a timely protest and subsequently submitted an Idaho individual income tax return for taxable year 2008. The Bureau reviewed the return and determined that it did not include all of the income reported to the taxpayer. No information was submitted for taxable year 2006. 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 2006 and 2008 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 December 15, 2010, the taxpayer acknowledged her filing requirement and requested more time in which to get the matter resolved.

On December 15, 2010, the Bureau sent a letter to the taxpayer acknowledging the protest and allowing an extension of time, until January 18, 2011, for completion of her 2006 and 2008 Idaho individual income tax returns.

Several more extensions of time were granted by the Bureau, and on April 5, 2011, the taxpayer submitted her 2008 Idaho individual income tax return. However, the return did not show all income reported to the taxpayer for taxable year 2008. The Bureau informed the taxpayer of the missing income and requested she submit a revised return for taxable year 2008 and again requested the 2006 Idaho income tax return. When no returns were received, the file was transferred to the Legal/Tax Policy Division for further consideration.

The Commission sent the taxpayer a letter that explained the methods available for redetermining a Notice of Deficiency Determination. The taxpayer did not respond. Therefore, the Commission decided the matter based upon the information available.

The Bureau requested and received a transcript of the taxpayer's [Redacted] income records from the Internal Revenue Service (IRS). The information was provided in accordance with Internal Revenue Code § 6103(d) and Idaho Code § 63-3077.

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] income records and the records retained by the Commission.

The Commission now, through its decision, modifies the NODD prepared by the Bureau. With regard to taxable year 2006, the NODD was based on the taxpayer's [Redacted] which shows the taxpayer as head of household with one dependent exemption, therefore no adjustments were made.

For taxable year 2008, the Commission has reviewed the return submitted by the taxpayer, along with the information used by the Bureau, and hereby modifies the NODD to include two additional dependent exemptions and to allow itemized deductions.

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.

THEREFORE, the Notice of Deficiency Determination dated October 14, 2010, and directed to [Redacted] is hereby MODIFIED and, AS MODIFIED, AFFIRMED.

IT IS ORDERED and that the taxpayer pays the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$627	\$157	\$164	\$948
2008	531	133	68	<u>732</u>
			TOTAL DUE	<u>\$1,680</u>

Interest is calculated through January 13, 2012.

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 _____ 2011.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2011, 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.
