

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 23641
[Redacted],)	
)	
Petitioners.)	DECISION
_____)	

On October 6, 2010, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing income tax, penalty, and interest for taxable years 2006 and 2008 in the total amount of \$2,202.

The taxpayers protested the NODD and subsequently submitted an Idaho Individual income tax return for taxable year 2008. The return was accepted as filed, and the NODD was cancelled for that year. Taxable year 2008 will not be addressed further in this decision. No information was submitted for taxable year 2006. The Commission, having reviewed the file, hereby issues its decision regarding taxable year 2006.

The taxpayers failed to file their 2006 Idaho individual income tax return. Because Commission records showed the taxpayers met the state income tax filing requirements and had not filed their Idaho return for taxable year 2006, the Bureau attempted to contact them for clarification. The taxpayers did not respond.

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

Idaho Code § 63-3045(1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a

deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho return on behalf of the taxpayers and sent them an NODD. The taxpayers appealed the NODD stating in their letter dated December 10, 2010, that they contest the determination because they were not given credit for itemized deductions. The Bureau acknowledged the protest and gave the taxpayers a due date of December 31, 2010, in which to submit their return. When the return was not received, the file was transferred to the Legal/Tax Policy Division for administrative review.

The taxpayers did not respond to a letter from the Tax Policy Specialist that outlined their appeal rights. The taxpayers did not request a hearing. The time has come for the Commission to decide this matter.

The information obtained from the [Redacted] along with Commission records show the taxpayers had income in excess of the filing requirement. The Commission issued an NODD to the taxpayers on October 6, 2010, based on the income information obtained from [Redacted] and that found in Commission records.

The Idaho individual income tax return the Bureau prepared on behalf of the taxpayers was based on income information gleaned from the taxpayers' [Redacted] income records and the records retained by the Commission. The taxpayers' withholding of \$593 was allowed to offset a portion of the Idaho income tax due. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided nothing that would dissuade the Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for taxable year 2006.

THEREFORE, the Notice of Deficiency Determination dated October 6, 2010, is hereby MODIFIED, and AS MODIFIED, is APPROVED.

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>
2006	\$1,145	\$286	\$297	\$1,728

Interest is computed through December 30, 2011.

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 _____ 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.
