

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of) DOCKET NO. 23724
)
[Redacted],)
)
) DECISION
)
Petitioner.)
_____)

[Redacted] (petitioner) protested the Notice of Deficiency Determination issued by the staff of the Tax Discovery Bureau of the Idaho State Tax Commission dated August 16, 2010, asserting Idaho income tax, penalty, and interest for taxable years 2004 through 2007 in the total amount of \$6,426. The petitioner did not believe he was required to file income tax returns. The Tax Commission, having reviewed the file, hereby issues its decision.

BACKGROUND

From a routine review of the Tax Commission’s records, the Tax Discovery Bureau (Bureau) found that the petitioner stopped filing Idaho income tax returns but was still receiving income. The Bureau sent the petitioner a letter inquiring about his requirement to file Idaho individual income tax returns. The petitioner failed to respond, so the Bureau obtained additional information from [Redacted]. The Bureau determined the petitioner was required to file Idaho income tax returns, so it prepared returns for the petitioner based upon information reported on several Forms 1099 and sent the petitioner a Notice of Deficiency Determination.

The petitioner protested the Bureau’s determination citing various UCC violations and faults of the Bureau’s notice. The petitioner stated he was not a [Redacted] employee or an employee of the state of Idaho. He stated he has not applied for the privilege of manufacturing, distributing or selling alcohol, tobacco, or firearms; consequently, he is exempt from those particular statutes. The petitioner stated he did not open any “account” with the Tax Commission, the [Redacted] or the

[Redacted]. He stated he did not know what specific tax he was supposedly liable for, whether it was voluntary or mandatory, or how it was derived. The petitioner stated he was not a taxpayer as defined in Internal Revenue Code (IRC) section 7701(a)(14).

The Bureau acknowledged the petitioner's protest and referred the matter for administrative review. The Tax Commission sent the petitioner a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The petitioner failed to respond. Therefore, the Tax Commission decided the matter based upon the information available.

LAW AND ANALYSIS

Idaho Code section 63-3030 states that every resident individual that is required to file a federal return under IRC section 6012(a)(1) is required to file an Idaho income tax return. IRC section 6012 states that every individual having gross income that equals or exceeds the exemption amount in a taxable year shall file an income tax return. The petitioner's reported Forms 1099 exceed that amount for each of the years in question. Accordingly, the petitioner should have filed income tax returns for 2004, 2005, 2006, and 2007.

The petitioner's statements are similar to frivolous tax protester arguments, and his assertion of the Uniform Commercial Code and certain sections of the Internal Revenue Code are misplaced. Such "causes and beliefs" (arguments) have repeatedly been rejected by the courts. *See* Sego v. Commissioner, 114 T. C. 604 (2000); Nagy v. Commissioner, T. C. Memo 1996-24; Scott v. Dept. of Taxation, 2008 WL 4542978 (Vt.); United States v. Jagim, 978 F.2d 1032, 1036 (8th Cir. 1992).

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-75 n.2, 716 P.2d 1344, 1346-47 n.2 (Ct. App. 1986); Albertson's Inc., v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The burden is on the petitioner to show that the tax deficiency

is erroneous. Id. Absent competent evidence to the contrary, the Notice of Deficiency Determination must be upheld upon review.

CONCLUSION

The petitioner has not shown that he did not receive the income reported nor did he cite relevant authority indicating that the income was not subject to the Idaho income tax. The petitioner's income exceeded the threshold for filing income tax returns and the returns prepared by the Bureau seem to be reasonable based upon the information available. Accordingly, the Tax Commission upholds the Notice of Deficiency Determination.

The Bureau added interest and penalty to the petitioner's Idaho tax liability. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

THEREFORE, the Notice of Deficiency Determination dated August 16, 2010, and directed to [Redacted] is AFFIRMED.

IT IS ORDERED that the petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$ 704	\$176	\$246	\$1,126
2005	1,078	270	311	1,659
2006	1,692	423	383	2,498
2007	865	216	135	<u>1,216</u>
			TOTAL DUE	<u>\$6,499</u>

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.
